THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

December 23, 1939

Japan's Decision to 'Reopen' the Yangtsze

An Editorial

Sino-Soviet Air, Land Routes

BY C. Y. W. MENG

The End of a Nazi Raider

Tuberculosis: S'hai Scourge

BY LEE S. HUIZENGA, M.D.

Back-Stage Budget Battle Due in Japan

By John Ahlers

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THE CHINA CRITIC

（中國評論週報）

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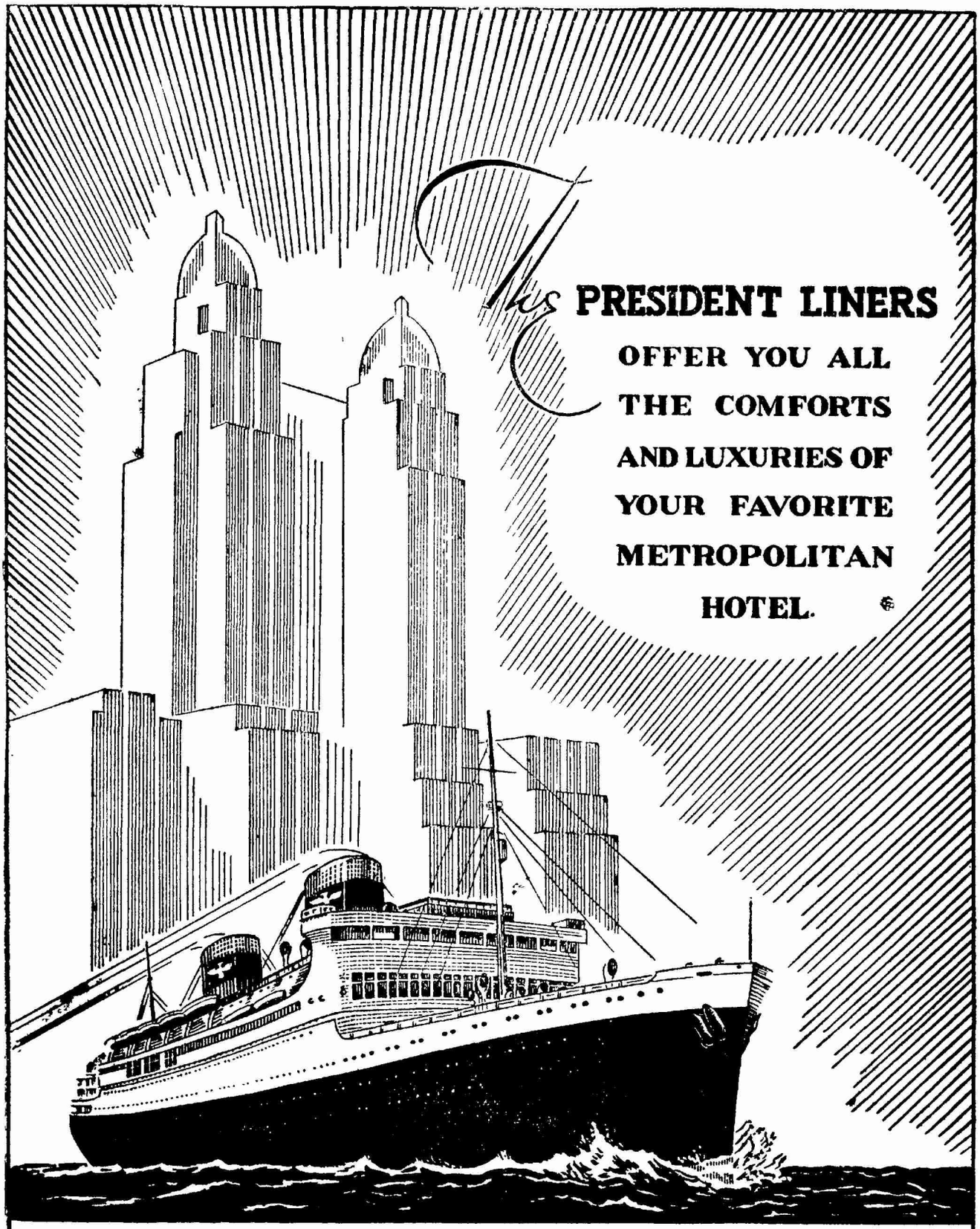
191 Carter Road, Shanghai, China Telephone 31164



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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

AMERICA AND JAPAN

To the Editor:

Since the outbreak of the European war, the United States has become the only upholder of the Nine-Power Treaty and defender of justice in the Far East. With China's friends—the Soviet Union, Great Britain and France—engaged in Europe, Japan has gained a free hand by declaring her neutrality.

Washington's abrogation of the American trade treaty with Japan and the speech delivered in Tokyo by Ambassador Grew were serious blows to the happy Japanese. Japan has long proved to the world the incongruity of her words and deeds. Even should she promise to be good, her word would not be sufficient guarantee for the future. We can therefore rest assured that there will be no new trade treaty with America, despite rumors to the contrary fabricated by Japanese propagandists.

Even should Japan furnish concrete guarantees for fear of American unfriendliness, there would still be no reason for the United States Government to renew the trade treaty, for America is interested not only in securing respect for her own rights and interests, but also in the preservation of China's sovereignty and territorial integrity.

We do not accuse America of helping the Japanese in their campaign in China, for we know the American people would not think of doing such a thing. Of course, by sending war materials and other goods to Japan, America has been helping Japan indirectly. The facts in this regard are clear, but we wish to do justice to our American friends: this aid to Japan was unwitting and unintentional. Now our sister Republic has started to rectify this mistake by denouncing the trade treaty with Japan.

The success or failure of the Japanese adventure in China depends upon whether a new treaty is negotiated. This is a crucial time for Japan. For America is about to decide on which side of the conflict she is going to be henceforth—on China's side or on Japan's.

C. S. PAN

Changchow, Fukien,
December 1, 1939

LIN YUTANG'S NOVEL

To the Editor:

We have read your appreciative review of our publication "Moment in Peking" in your issue of to-day, and thank you for this.

May we however point out that to call this a "Chinese edition," as is done in the heading, is apt to mislead. Some readers will feel that the book is in the Chinese language, whereas it is written in English. Our edition is the special authorized edition for sale in China only. An edition in the Chinese language is being prepared, but we have no information as to publisher or date of publication.

KELLY & WALSH, LTD.

Shanghai,
December 16, 1939

LIFE AT CHENGTU

To the Editor:

I left Fukien Christian University, travelling on the Min Kang highway to Shaokuan, a seriously damaged city which was bombed by the Japanese more than two hundred times before I arrived there.

I travelled on the Canton-Hankow Railway; the train started punctually and was not very crowded although Shaokuan was very near to the Canton front. All the way you could find the cars of every railway, including those of the Peking-Mukden line. At Hengyang I rode on a Lunghai steel express car to Kweilin.

For three weeks I stayed at Kweilin, then left for Chungking by way of Kweichow province. I arrived at Chengtu which is the largest cultural center of Free China; especially it is the Christian center of college education. There are more than a half dozen Chinese dailies and two English newspapers. Among the eight colleges six of them were evacuated from Peiping, Shanghai and Nanking.

Recently a concert was held by the Y.M.C.A. of Nanking University and more than one thousand dollars was collected for winter relief. The Five University Drama Club also raised a fund for the Hopei flood refugees.

At the end of this November the International University Women's Association opened a Community Bazaar at which money was raised for air raid victims. There were many departments, such as: clothes and furniture, five and ten cents articles, hotdogs and candies, theaters, cafes and Hawaiian music, The coeds served as waitresses.

University of Nanking,
Chengtu, Dec. 4, 1939

TS'AI WEN CHEH

LEAGUE NOT DEAD

To the Editor:

By the way, would you very much mind my drawing your attention to page 318 of your issue of October 28th? I do not know where the information on the subject of the League of Nations was obtained, but in point of fact

THE CHINA WEEKLY REVIEW
Cable Address "REVIEWING SHANGHAI"
J. B. POWELL, *Editor and Publisher*
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F. K. CHAO, *Business Manager* TRYPHON V. KU, *Advertising Manager*

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PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA. YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWENTY TWO DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. ADD $3.00 TO COVER EXTRA POSTAGE TO HONGKONG. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917. BY AIR-MAIL—TO CHUNGKING AND ELSEWHERE IN WEST, NORTHWEST AND SOUTHWEST CHINA THE RATE IS $38.00 A YEAR OR $20.00 FOR A HALF-YEAR.

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the League is very much alive, if not politically, certainly in its economic and social activities, the importance of which during the present emergency is recognised as even greater than before. Nor is it correct that the Swiss Government has prohibited League radio broadcasts. The decision to postpone the meeting of the Assembly was reached by the Members themselves. No communications were received from the Swiss Government in the sense suggested in the paragraph in question. As you know, the Fourth Committee of the Assembly is meeting to deal with the Budget, which will then be approved or otherwise by correspondence with the Member States.

H.

Geneva,
November 23, 1939

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Vol. 91 Shanghai, Saturday, Dec. 23, 1939 No. 4

'OPENING' OF YANGTSZE WILL NOT HELP JAPANESE RELATIONS WITH U. S.

THE Japanese military spokesmen announced on Monday afternoon, Dec. 18, that the "Army and Navy authorities in the field have decided to make preparations for a *gradual and conditional* reopening of the Yangtsze between Nanking and the sea." There was no announcement of a specific date and the ensuing discussion concerned with the words "gradual and conditional" used in the official announcement, indicated that the declaration was more or less a meaningless gesture designed for propaganda effect.

The method which the Japanese military leaders used in making the announcement and the ensuing propaganda indicated that it was designed to offset growing American animosities regarding Japanese activities in China. While the actual announcement was not made until late afternoon Monday, local Japanese newspapermen and correspondents began telephoning their American newspaper friends of the "important news" early in the morning, the object being to have the American correspondents send cables so as to catch the early Sunday morning editions.

This method of propaganda is known as a "build-up" with the object of obtaining the maximum amount of publicity in the shortest possible period of time. Within 24 hours after the original announcement, the official *Domei* service delivered no less than 30 sheets of copy to Shanghai newspapers. Some of the headings on the articles indicated the objectives: "U. S. Should Meet Japan Half Way," "Japan Ready to Pay U. S. Indemnity," "Japan-U. S. Rapprochement Seen as Heavy Blow to Chiang," etc. One Tokyo newspaper called it "Japan's Christmas Present To Pave Way for New Commercial Treaty." Another paper made the veiled threat, "The United States would be responsible for anti-American opinion in Japan if relations did not improve after the Yangtsze was opened."

The Yangtsze was closed in August 1937—first by the Chinese authorities to prevent Japanese warships and army transports from ascending the river. Later, after the Chinese troops had been pushed back, the Japanese Navy established an embargo which prevented any ships, other than Japanese, from using the river. The Japanese claimed that their ships were all "army transports" and did not carry ordinary merchandise, but the fact that Chinese shops, unable to obtain American and European articles, were forced to stock their shelves with Japanese goods soon gave the lie to Japanese declarations. For more than two years the Japanese have had a free hand on the Yangtsze as no non-Japanese ships—other than warcraft—were permitted to navigate the river.

The section of the river between the sea and Nanking, which the Japanese claim will be reopened "gradually and conditionally" is about one-third of the distance (600 miles) between the sea and Hankow which is navigable for ocean-going ships.

But, even though the Japanese reopened the great Chinese river to international traffic tomorrow, there could be little improvement in international trade because, in the two years and a half which have elapsed since the beginning of the Japanese military invasion, the Japanese have succeeded in creating an iron-bound monopoly which extends its tentacles into all phases of Chinese life—leaving little or nothing for other foreigners, or for the Chinese business men, industrialists and financiers who previously controlled the trade of this important section of their country.

There is reproduced (on the following page) an advertisement of the major Japanese "octopus" which was designed for the purpose of *devouring* China. The "Central China Development Co., Ltd." is a cross between the ancient British East India Company and the present-day Japanese government-controlled South Manchuria Railway Company.

Since the East India Company, possessing monopolistic rights granted by the British Government at the end of the 16th century, became the dominant power in India, and the South Manchuria Railway Company, organized in 1905, became the dominant power in South Manchuria, the Japanese hope to make the "Central China Development Company" the dominant power in the Yangtsze Valley. A similar, but somewhat smaller company has been formed to operate in North China, but we are concerned chiefly with the Central China concern at this time.

An inspection of the initial announcement of the Company—reproduced from *The Shanghai Times*—will corroberate our designation of this concern as a "Japanese octopus." An *octopus* is described as a "cephalopod mollusc with eight suckered arms around a mouth." This modern Japanese commercial *octopus* is an improvement on nature in that it possesses twelve "suckered arms around a mouth," the *mouth* in this case being Imperial Japan.

The Central China Development Company, Ltd. was created by official edict of the Japanese Government and granted a monopoly in the Yangtsze Valley. Majority stock interest is held by the Japanese Government with the minority stock interest held by the large Japanese trading, industrial, shipping and banking concerns. Dividends of the company are guaranteed by the Tokyo Government.

For clarity we list the "suckered" arms of this Japanese *Octopus*:

1—Central China Mining Company—headed by a Japanese and designed to monopolize all mining development in the Yangtsze Valley.

2—Central China Electricity & Waterworks Co.—headed by a Japanese and granted control of all Chinese electric light and power companies and waterworks, which the Japanese Army seized after the Chinese forces had been expelled from the Yangtsze delta area.

3—Shanghai Inland Navigation Company—headed by a Japanese and granted a monopoly of canal and river transportation in the Yangtsze provinces.

4—Central China Tele-Communications Company—headed by a Japanese and created by the Japanese Army for the purpose of seizing and operating all Chinese telephonic, radio and cable services in this section of the country. Among the properties seized was the large Chinese radio station at Chenju, which contained

a large investment of American and other foreign capital.

5—Shanghai Real Estate Company—headed by a Chinese puppet and granted a monopoly of all real estate transactions in Chinese territory outside the Shanghai foreign concessions. This company was granted control of all real estate at the former Chinese Civic Center at Kiangwan and is now planning the creation of a Japanese sub-division in that area.

have become a familiar feature of the China coast from Shanhaikwan to Indo-China.

8—Greater Shanghai Gas Company—headed by a Japanese and granted a monopoly of gas production in the Lower Yangtsze area.

9—Central China Silk Reeling Company—headed by a Japanese and granted exclusive control of all trading and production of silk in the Kiangsu-Chekiang-Anhwei district. The concern operates all silk filatures seized from the Chinese and

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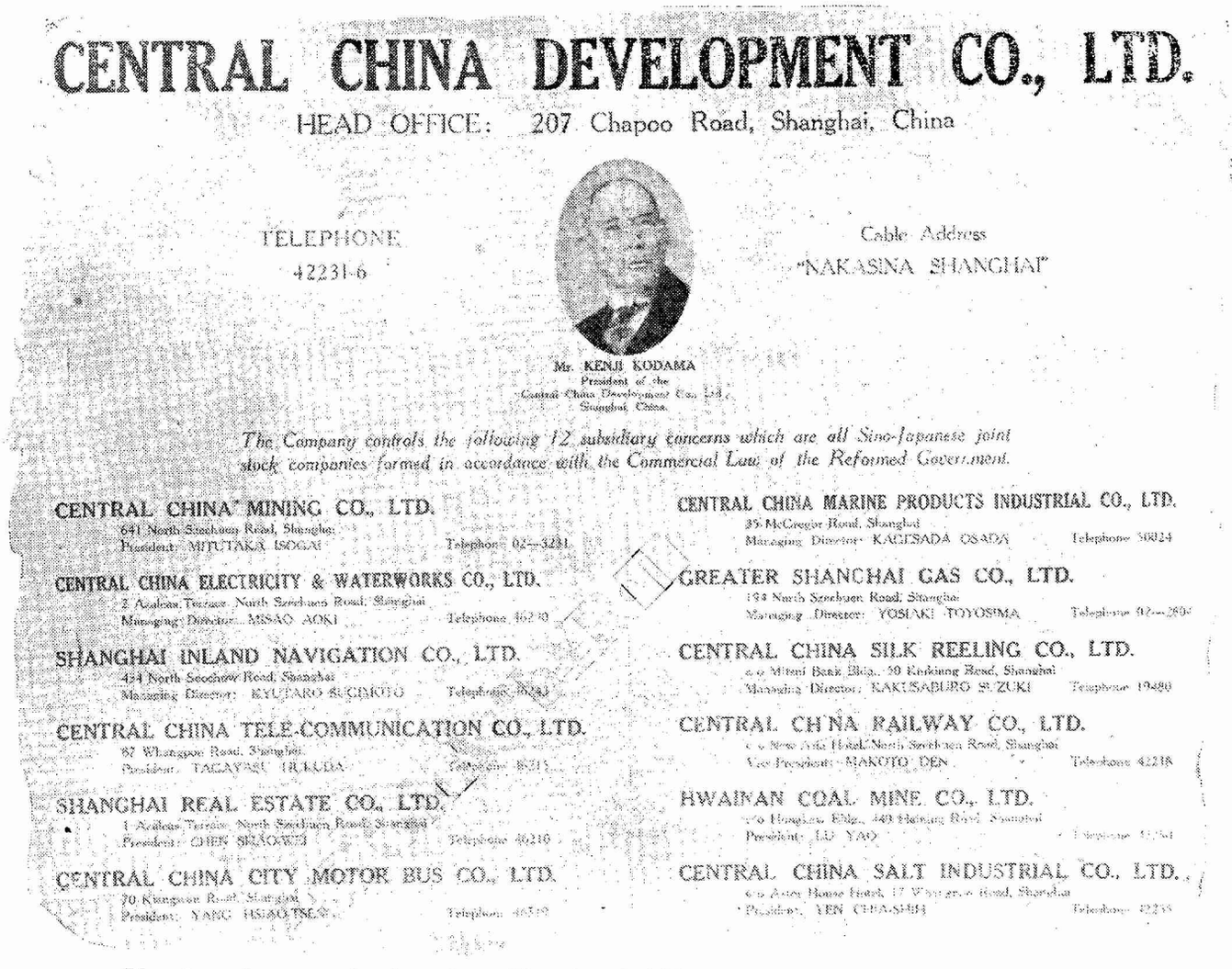
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HEAD OFFICE: 207 Chapoo Road, Shanghai, China
TELEPHONE 42231-6
Cable Address "NAKASINA SHANGHAI"
Mr. KENJI KODAMA
President of the Central China Development Co., Ltd., Shanghai, China.
The Company controls the following 12 subsidiary concerns which are all Sino-Japanese joint stock companies formed in accordance with the Commercial Law of the Reformed Government.
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CENTRAL CHINA ELECTRICITY & WATERWORKS CO., LTD.
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70 Kiangyin Road, Shanghai
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CENTRAL CHINA MARINE PRODUCTS INDUSTRIAL CO., LTD.
35 McGregor Road, Shanghai
Managing Director: KAOTSADA OSADA Telephone 50824
GREATER SHANGHAI GAS CO., LTD.
194 North Szechuen Road, Shanghai
Managing Director: YOSIAKI TOYOSIMA Telephone 92—2804
CENTRAL CHINA SILK REELING CO., LTD.
c/o Mitsui Bank Bldg., 50 Kiukiang Road, Shanghai
Managing Director: KAKUSABURO SUZUKI Telephone 19480
CENTRAL CHINA RAILWAY CO., LTD.
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Vice President: MAKOTO DEN Telephone 42218
HWAINAN COAL MINE CO., LTD.
c/o Hongkew Bldg., 440 Hsining Road, Shanghai
President: LU YAO Telephone 41761
CENTRAL CHINA SALT INDUSTRIAL CO., LTD.
c/o Asia House Hotel, 17 Whangpoo Road, Shanghai
President: YEN CHIA-SHIH Telephone 42215

The above is a reproduction—from *The Shanghai Times*—of the original announcement of the Japanese monopoly concern which is designed to control Chinese commerce and industry and oust the foreigners.

6—Central China City Motor Bus Company—headed by a Chinese puppet and granted a monopoly of bus operation in the Yangtsze delta region, in Hongkew and Chapei, Nanking and all connecting lines previously operated by Chinese or foreign concerns.

7—Central China Marine Products Industrial Company—headed by a Japanese and granted monopoly control over all Chinese coastal fisheries. This company was the special "baby" of the Japanese Navy which forced all Chinese fishing junks to sell their catch to the central, Japanese-controlled, fish market in Yangtszepoo. Chinese junks refusing to obey and sell their catch to the Japanese monopoly company, at Japanese-fixed prices, are used as targets by the Japanese Navy. Burning junks, or junks with dead and wounded Chinese fishermen aboard, sends armed trucks into the countryside to collect cocoons from Chinese farmers who are paid in worthless military notes or Hwa Hsing currency.

10—Central China Railway Company—headed by a Japanese and granted monopoly control of all Chinese railway lines in the Lower Yangtsze region which the Japanese Army has been able to seize. All obligations of these railways to American, British and other foreign concerns have been defaulted since the Japanese assumed control.

11—Hwainan Coal Mine Company—headed by a Chinese puppet and granted a monopoly of all coal production in the Anhwei region.

12—Central China Salt Industrial Company—headed by a Chinese puppet and granted control of all salt production and sales in the Yangtsze provinces; properties previously controlled and

operated by the Salt Gabelle, a financial organ of the Chinese Government.

Further explanation of this Japanese commercial *octopus* is unnecessary, except to point out that the entire set-up is in glaring violation of the Open Door and equality of opportunity, guaranteed in the Nine-Power Treaty. The concern was designed, as stated in the foregoing, for the purpose of controlling practically all phases of commerce and industry in the Yangtsze Valley, excluding the foreigners, converting China into an appendage of Imperial Japan and the Chinese people into "feeders" of Japanese industry and consumers of Japanese merchandise.

Only one further point requires emphasis: Under the picture of Kenji Kodama, president of the Japanese *octopus*, appears the statement,

> "The Company controls the following 12 subsidiary concerns which are all Sino-Japanese joint stock companies formed in accordance with the Commercial Law of the (Nanking) Reformed Government."

If this is correct it means that the puppet set-up in Nanking has agreed to the enslavement of the Chinese people to an alien commercial and industrial machine which will inevitably convert the country into a colony of Imperial Japan.

One wonders whether Wang Ching-wei, former close associate of the late Sun Yat-sen and former high official of the Kuomintang or nationalist party, has also agreed to this enterprise!

The Central China Development Company, fostered by the Japanese Army, is but the beginning of monopolization and exploitation. Shanghai is now experiencing a rice famine because of Japanese military interference with the normal processes of the trade and an attempt to create a Japanese monopoly over this vital Chinese product. Anyone who ventures outside of the foreign settlements along roads in Japanese-controlled territory will find men in uniform and carrying guns, levying taxes on every basket of potatoes, cabbage and carrots that is carried along the road to market. No Chinese merchant in any city within Japanese-controlled territory is free to stock his shelves with anything except Japanese merchandise. In many places the Japanese dominate the chambers of commerce and no merchant is free to purchase goods without the approval of the Japanese-controlled board.

It is obvious that a re-opening of a small section of the Yangtsze, even if carried out in good faith, could have little effect on a resumption of free trading activities so long as these conditions prevail.

Stalin Gets Gem-Studded Portrait Of Himself on His 60th Birthday

DICTATOR Joseph Stalin celebrated his sixtieth birthday on December 21. The German *Transocean* agency is authority for a statement that a portrait of the Kremlin boss, studded with 2,500 semi-precious stones, was to be presented to him on that date —by whom, was not stated. A portrait painter named Baurow, and several assistants, took eighteen months to manufacture the unique gift.

There cannot have been many people outside of Stalinland who felt moved to congratulate Stalin on his sixtieth birthday, and he probably had to content himself with the Byzantine flattery of his subjects, those who love him for giving them the "happy life," also the many who have good reason to hate and fear him —for flattery of the genial leader is compulsory for Soviet citizens, even though it is not written into the "most democratic" constitution in the world.

Rev. Tucker Released from Jail, But Must Leave Japan

THE Rev. Luther Tucker, American missionary who was arrested by the Japanese authorities at Kobe on Oct. 12 and held in jail, was found guilty by a Japanese court and given a sentence of four months imprisonment on Dec. 16. The sentence, however, was suspended for one year. It was reported in Shanghai this week that Rev. Tucker would come here immediately and after recuperating from his trying experience probably would return to the United States. It was understood that he would not be permitted to return to Japan.

Rev. Tucker, who was in Japan lecturing and conferring with Japanese students on behalf of the International Student Movement, of which he is Far Eastern Secretary, was arrested on a charge of distributing undesirable literature and circulating false rumors. He was arrested on the steamer as he was preparing to return to Shanghai with his wife and two children. Mrs. Tucker, after being questioned by the police and having her baggage searched, was permitted to remain on the ship and return here.

Rev. Tucker had been held in jail at Kyoto for almost ten days before Japanese officials notified the American Consul, John B. Allison, at Osaka of the arrest. Mrs. John Pullman, mother of Mrs. Tucker, arrived in Japan last week and after conferring with the American Consul at Osaka, came to Shanghai to visit her daughter. Mrs. Pullman's husband is a prominent lawyer of Bridgeport, Conn.

As a result of widespread interest and resentment aroused in the United States by the Japanese action, it was reported that many prominent Americans, including the well-known financier and Morgan partner, Thomas W. Lamont, sent telegrams to high Japanese officials urging Rev. Tucker's release.

While there has been no official disclosure of the specific charges against Rev. Tucker, it was reported that he had in his possession some copies of a Japanese translation of Timperley's book dealing with Japanese army atrocities, following the capture of Nanking. The translation of the book had been made by Japanese radicals residing in China and several hundred copies had already been distributed in Japan prior to Rev. Tucker's arrival in the country. It also was reported that over-zealous friends of Rev. Tucker had mailed to him copies of booklets published by American and other organizations at Shanghai depicting various phases of Japanese aggression. These booklets were intercepted by military censors in the Japanese post office, according to the report, and since they were addressed to Rev. Tucker, the Japanese suspected him of connivance in the circulation of literature which is barred from Japanese readers.

According to reports in Shanghai, Rev. Tucker's arrest was followed by the arrests of several outstanding Japanese Christians, one being a Mrs. Suekane, secretary of the Y. M. C. A. in Kyoto, and Mr. Nara, national student secretary, who is also connected with the Y. M. C. A.

There was a further report in Shanghai this week that Rev. Tucker had aroused resentment among the Japanese gendarmes (military police) by referring to the absence of a Chinese flag in the decorations of a hall where he delivered an address at Kyoto. The address was a part of the official program of a missionary conference being held in Kyoto. It was stated that Rev. Tucker was placed under surveillance and constantly shadowed as a result of his reference to the lack of a Chinese flag in the decorations, which included the flags of all nations.

Japanese Christmas Presents Indicate Number of Troops

The Japanese *Domei* service announced on Dec. 15 that "more than 800,000 comfort bags packed with Christmas and New Year presents" were being sent to Japanese troops in China by the Relief Department of the Ministry of War. The announcement stated further that an assortment of 1,300,000 bags had been sent to fronts in China and Manchukuo. The parcels were donated by people all over Japan.

Assuming that each soldier receives one bag of presents, the figures indicate that the number of troops in China proper exceeds 800,000, while the number in China and Manchuria together is approximately 1,300,000.

Session of Japanese Diet Will Screen Vigorous Budget Battle Behind the Scenes

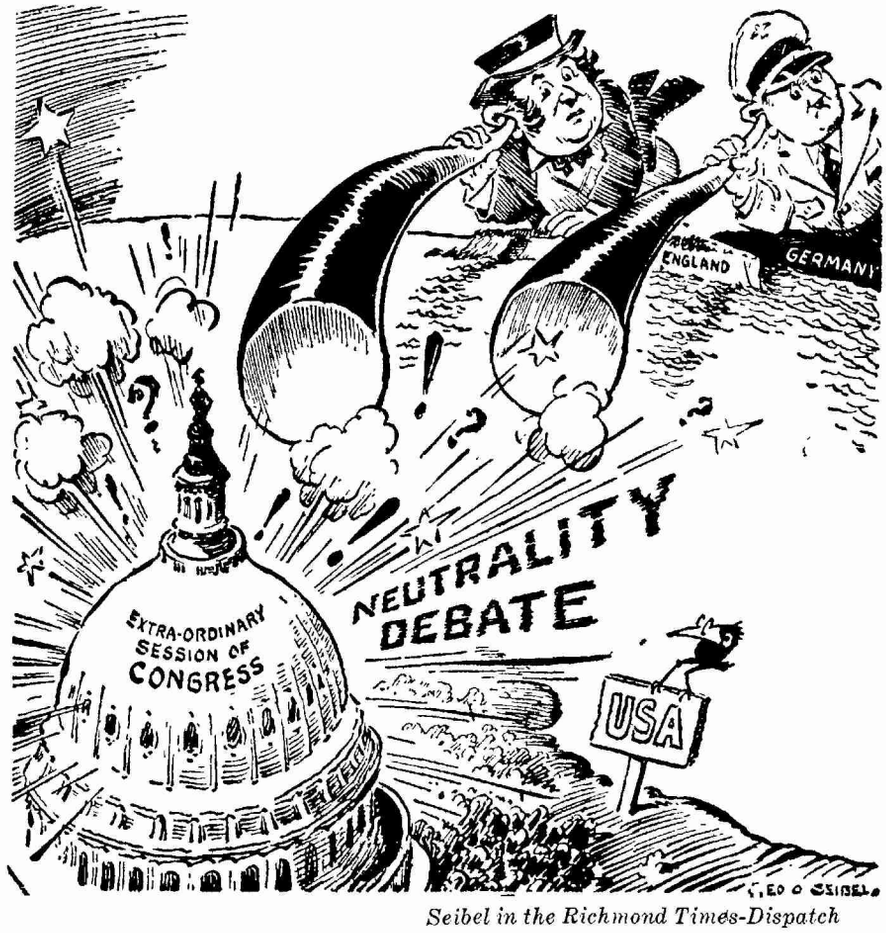
BY JOHN AHLERS

THE ghost of Japanese parliamentarism is once more being released on parole as the 1939-40 budget session of Dai Nippon's Diet and House of Peers gets under way in Tokyo today. Actually, the session will not begin in earnest before next month, since the official opening is to be followed by the traditional adjournment until after the New Year holidays. It is then that the specter of a constitutional Japan will be permitted once more to haunt the forefront of the political stage for a period of three to four months, until the funds requested by the Government are granted by the men who are supposed to represent the people of Japan. With the final vote on the 1940-41 budget of Dai Nippon, the ghostly performance will come to an end, and Nipponese parliamentarism will go to sleep for another three quarters of a year. The rulers of Japan have done the trick so often, and so successfully, that they do not entertain the slightest doubt that Diet representatives and Peers will not be naughty when let out into the open, and will complacently return into the dark upon command.

In both houses of the Japanese parliament, what once was a real budget battle has for many years past been a sham fight only. Especially since the outbreak of the present Sino-Japanese war, there has been no genuine budget debate at all in Tokyo. The Konoye and Hiranuma cabinets presented budget estimates with unprecedented monetary demands upon the Japanese nation, which were neither satisfactorily explained and justified nor seriously criticized. The mainstay of these estimates were the fighting forces' requests for armament and war funds which devoured much more than the total genuine revenue of Japan, and which, for the current year, form almost two-thirds of the country's aggregate expenditure. So-called patriotic arguments served as excuses and pretexts to deputies and peers for not challenging these demands, and for the military and naval tycoons for condescending haughtily, and more than once insultingly, to give extremely vague explanations characterized by an unparalleled lack of preciseness. The budget items which the Diet and House of Peers really discussed were only minor ones, and even in these items merely negligible positions were singled out for closer consideration and a certain amount of criticism.

There is no indication that things will be fundamentally different in the budget session of 1939-40. The difficult economic situation of Japan and the protracted war in China are resulting in a certain unrest among the Japanese people, and in growing misunderstandings among the various groups of their rulers. The government of General N. Abe is exceptionally weak, resourceless and unimaginative, and parliamentary politicians are likely to stage some political shows for the benefit of their supporters by creating a few more and stormier rows than usual. The two great political parties, the Minseito and the Seiyukai, will use the occasion to recall to the people the fact that they have not yet vanished altogether and that they maintain, in principle though not actually, a claim to participation in the government of Japan. There should be no illusion, however, that the Diet and House of Peers will raise any one of the fundamental budgetary issues: the financing of the war in China and of a huge armament replenishment program; the disposal at discretion of one-fourth of Japan's national income by the Nipponese fighting forces; the tremendous deficit; the boundless borrowing policy; and the increasing threat of Japan's national bankruptcy.

Listening to the Debate



Seibel in the Richmond Times-Dispatch

These fundamental issues, however, will lead to heavy fighting behind the screen of Nipponese parliamentarism. This fight will be fought not between the parliamentarians and the government, but between the various really important factors represented in the government. Mr. Kazuo Aoki, Finance Minister and concurrently president of the Cabinet Planning Board, strongest man in the Abe Government, opened the fight a few weeks ago by discarding time-honored precedents in making up his budget draft. In past years, only the estimates of the ordinary budget were regularly drawn up prior to the budget session. The Army and Navy used to name their extraordinary expenditure figures only when the session was well advanced, and after they had had an opportunity to restore in their extraordinary estimates eventual cuts which they had to concede in

the drafts of the fighting forces' ordinary expenses. This year, however, Mr. Aoki insisted that the Army and Navy present all their monetary demands in advance. When he had their estimates, he courageously cut military and naval estimates by the huge sum of Yen 2,000,000,000, induced the cabinet to endorse this cut and published his ordinary and extraordinary estimates before the Ministers of War and Navy had recovered from their surprise. The fighing services protested, and both these ministers had to make themselves strong to reconquer the lost Yen 2,000,000,000. This sum is what the battle behind the screen of the Japanese budget session will be fought for, and it is by no means impossible that the wrath of this battle will explode not only the Abe cabinet, but also the China war coalition of the ruling powers in Japan.

Mr. Aoki is not a "grand old liberal" or a representative of Nipponese big private capitalism. He is a semi-militarist, an expansionist, and a "Greater Japan" enthusiast. He is fundamentally agreed with the Nipponese military, which makes his position easier and stronger than that of his eminent predecessor, Mr. Seihin Ikeda. However, Mr. Aoki has not forgotten his arithmetic, and his close acquaintance with the critical economic and financial condition of Japan led him to the conclusion that his country simply cannot afford to grant its fighting forces the huge additional demands they make without falling a prey to financial disaster. It is only with the greatest difficulty, Mr. Aoki realizes, that Japan has met so far the monetary requests of her admirals and generals, and it is impossible for her to do more in this direction than she is doing already. The Tokyo War Office wants to start upon the execution of a huge program of mechanization of a whole series of further army divisions while continuing to fight upon the former scale the war in China. Mr. Aoki tries to make the Army realize that it cannot have, for simple financial reasons, both of these New Year presents at the same time, and that the Army must decide which it prefers.

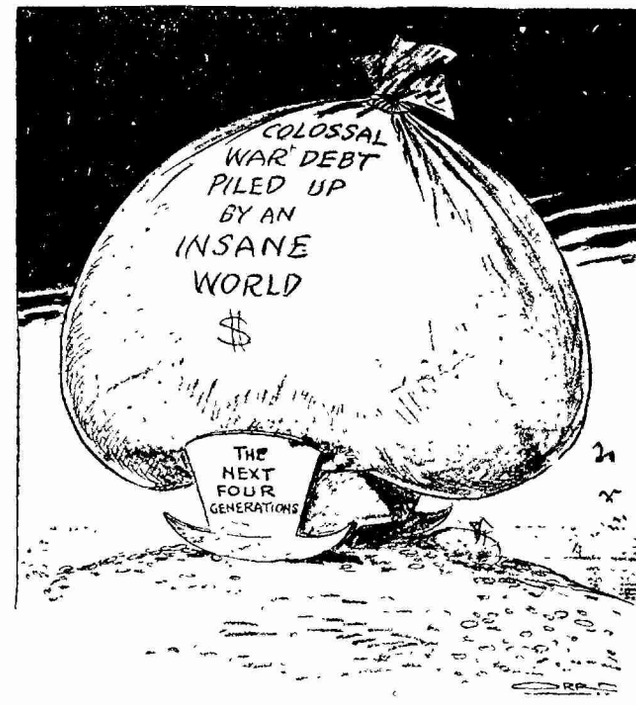
Actually, Mr. Aoki is prepared to give the Japanese fighting forces for 1940-41 Yen 330,000,000 more than for the current fiscal year 1939-40. His draft budget envisages the following allocations to the Army and Navy of Japan:

Ordinary Budget:		
Army	Yen	1,279,000,000
Navy	Yen	1,018,000,000
Extraordinary Budget:		
Army	Yen	2,973,000,000
Navy	,,	737,000,000
Reserve	,,	750,000,000
Total	Yen	6,757,000,000

The total Japanese budget estimates for 1940-41, ordinary and extraordinary together, amount to Yen 10,360,000,000. More than Yen 600,000,000 of these estimates concern sums which will be passed on, by the Tokyo Government, to various local authorities in Japan, so that the genuine Government budget will total some Yen 9,700,000,000. Of this total, estimates of expenditure by the fighting forces constitute some 60 per cent. A series of other budget items include indirect military expenditure. The Public Welfare budget for instance, is almost entirely devoted to the care of soldiers wounded in the China war, and for families of soldiers killed over here. Expenditure of the Finance Ministry shows an estimated increase of Yen 400,000,000, most of it due on account of the increased cost of the service of loans issued to cover previous war expenditures in China. All in all, expenditures of the fighting forces, as well as for the China adventure staged by these forces, amount to more than 70 per cent of the total budget estimates for 1940-1941. Had Mr. Aoki endorsed the Army and Navy demands for yet another Yen 2,000,000,000, the Japanese budget total would have risen to Yen 11,700,000,000, whereof almost 75 per cent would have gone to the fighting forces. That would have been entirely beyond the financial capacity of Japan.

Revenue estimates of Japan for 1940-41 compare but poorly with the above expenditure figures. Total ordinary revenue from already existing sources has been estimated at Yen 3,418,000,000 only. Additional revenue from a widespread tax increase, which is to be decreed under the misleading designation of tax reform, is expected to amount to another Yen 731,000,000. Total revenue thus is estimated at Yen 4,149,000,000. This figure is approximately Yen 1,000,000,000 higher than for the current year and involves a further increase in taxation of some 35 per cent. Yet it is Yen 5,500,000,000 short of the total expenditure drafted, and this is the approximate amount of new domestic loans which the Tokyo Government proposes to issue during the next fiscal year, beginning April 1, 1940. Bond issues for the current fiscal year were drafted at Yen 5,900,000,000, and thus it might appear that Japan was beginning to reduce somewhat her loan flotations. This impression is erroneous. The Tokyo Government is carrying forward a huge amount of as yet unused bond issue authorizations which it proposes to invoke in 1940-41 when actual bond issues will be much larger than in any previous year.

Sins of Their Fathers



The Chicago Tribune

Japan has issued since the outbreak of the present China war Yen 10,662,000,000 worth of domestic loans. These issues increased the national funded indebtedness of Japan from Yen 10,580,301,000 at the end of June, 1937, to Yen 20,859,382,000 at the end of last month. The outstanding bond issues for the remainder of the current fiscal year, and the Yen 5,500,000,000 issues contemplated for 1940-41, will raise this indebtedness to well above Yen 28,000,000,000. The mere service and amortization of this indebtedness will require over Yen 2,000,000,000, i.e. practically half the total regular revenue which Japan is estimating for her next fiscal year. In the light of this figure, it is not to be wondered at that Dai Nippon's Minister of Finance feels that in his new budget estimates he cannot go farther than he already goes. These estimates mean the seizure of

no less than one-third of the total national income of Japan at the present time. For months past, bond absorption in Japan has decreased, while inflation has constantly increased, and the Bank of Japan's note issue is establishing one all-time high record after another.

The financial situation of Japan begins to become desperate, and final disaster and collapse lurks ahead even if Mr. Aoki proves strong enough to defeat the Nippon fighting forces' request for another Yen 2,000-000,000.

Finis is Written to the Odyssey of a Nazi Raider; Finland Fights on as League Expels Russia

SOVIET Russia's invasion of Finland, moving forward in the face of bitter Finnish opposition and at the cost of huge Red Army losses in men and materials, was completely overshadowed in the war news this week by the spectacular and dramatic ending of the odyssey of the German pocket battleship Admiral Graf Spee, which was scuttled by her commander off the port of Montevideo, Uruguay, last Sunday night.

After operating as a raider in the Atlantic for three months since the outbreak of the European war, during which period she sank some 50,000 tons of Allied shipping, the warship encountered three British cruisers, the Exeter, the Ajax and the Achilles, off the coast of Uruguay and was obliged to fight a running battle for two days. On Dec. 14, with her captain's bridge, officers' mess and forward munitions hold badly damaged, the Graf Spee put into the inner harbor of Montevideo, while her three British challengers, one of them badly damaged, anchored in the estuary of the River Plate, ten miles from Montevideo.

The Graf Spee had halted a French liner, the Formose, and was preparing to board the ship to replenish supplies when the British cruiser Ajax appeared on the horizon. The Graf Spee steamed away, and the Ajax took up the pursuit, at the same time summoning the cruisers Exeter and Achilles to her aid by radio. The speedier Ajax frustrated an attempt of the German battleship to steam out to sea. Fire was exchanged between the two ships, but the real battle commenced at 8 a.m. on Dec. 13, when all three British ships engaged the Graf Spee. After hours of heavy gunfire, the Graf Spee abandoned the unequal struggle and entered the inner harbor of Montevideo, bringing with her 36 dead and 60 wounded, besides six captains and many sailors of British vessels which she had sunk during her three-month raiding career.

The Uruguayan Government permitted the Graf Spee to remain in port for 72 hours to effect necessary repairs to make the vessel seaworthy. Meanwhile, more British warships and a French cruiser arrived to join the Ajax, the Exeter and the Achilles in a "death watch" over the German raider. Acting on instructions from Chancellor Hitler, the Commander of the German ship, Captain Hans Langsdorff, took his ship out into the estuary 15 minutes before the expiry of the 72-hour time limit, and blew her up with time bombs after he and the crew had been taken aboard a German freighter, the Tacoma.

Captain Langsdorff and the German Minister to Uruguay, Dr. Otto Langmann, both declared that the time allowed by the Uruguayan Government was insufficient to put the Graf Spee in a seaworthy condition, and requested 14 days in which to do repairs, in accordance with international law. The vessel's armament, they offered to demonstrate, had been very slightly damaged and the additional time requested would be employed, not to restore armament, but to render the ship seaworthy.

Intense activity by the British Minister, and repeated notes from London, led the Uruguayan Government to refuse additional time. Captain Langsdorff then scuttled his ship rather than face its internment or a battle against overwhelming odds which could have led only to the destruction of the ship or its capture. Thus ended the first big naval engagement of the present war.

Keeping Hans Happy!

New York Times

When the German freighter Tacoma brought the Graf Spee's crew back to Montevideo, four of its members—a corporal, a fireman and two ordinary seamen—were arrested by the harbor authorities on a charge of blowing up their ship. All the officers and the rest of the crew proceeded in barges and lighters to Buenos Aires. The crew have been interned by the Argentinian authorities, while the officers are to be allowed to live in Buenos Aires on parole, it is reported.

German charges that the British ships which attacked the Graf Spee used mustard gas shells were denied in British official circles, while Mr. Neville Chamberlain, British Prime Minister, stated in the House of Commons

VON SPEE COMMANDER COMMITS SUICIDE

Leaving behind him a letter stating that he had previously planned to take his own life and thus share the destiny of his ill-fated vessel, Captain Hans Langsdorff, commander of the German pocket battleship Admiral Graf Spee, which was exploded and sunk by her own crew off Montevideo last Sunday evening, committed suicide by shooting himself on Dec. 20. In the letter, he said he had postponed taking his own life only long enough to assure the safety of the more than 1,000 young men who formed his crew. When he arrived at Buenos Aires last Monday, he told United Press: "I am satisfied. I saved all my men. I have nothing more to say. I am an old man. Please be nice and don't bother me." There is a general belief in Buenos Aires that Captain Langsdorff was sorely disappointed that he had to carry out Berlin orders to scuttle the Graf Spee, according to United Press.

that gas shells had never been made for, or used by, British warships. But Dr. Walter Meerhof, director of the Montevideo government eye hospital, issued a statement, through the *Transocean* correspondent, tending to confirm the German charges.

Dr. Meerhof said that after examining wounded sailors from the Graf Spee, he had telegraphed his findings to the London *News-Chronicle* at the paper's request, but the paper suppressed his statement. The findings included a statement that Dr. Meerhof had examined seven sailors and came to the conclusion that their injuries were typical of caustic dichlorethyl sulphide gas, made from mustard. The ship's doctor, who examined the wounded without putting on rubber gloves, he said further, sustained a finger injury typical of the effects of poison gas.

Germany has lodged an official protest with the Uruguayan Government, charging the latter with violating international law by refusing to allow the Graf Spee to remain in port for a sufficient time to allow her to be rendered seaworthy.

Yet another protest is to result from the famous battle, according to a *Havas* message from Buenos Aires, which states that the 21 American Republics will address a protest to the belligerent powers against the violation of the American neutral zone established and proclaimed by the recent Pan-American Conference which met at Panama City.

In Washington on Dec. 15, according to a *Transocean* report, Secretary of State Cordell Hull expressed the view that the neutral zone around the American coasts could naturally not be kept inviolate by force of arms. He pointed out, in addition, that the belligerents had not replied to the note sent them by the president of the Pan-American Conference in which notification of the establishment of the neutral zone was given.

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On December 18, a big aerial battle took place over Heligoland and Wilhelmshaven when British bombers attacked the German naval and air bases established there. British reports said that Royal Air Force bombers had caused considerable damage, while only a few British machines were lost. Berlin claimed that 34 British planes had been shot down, while only two German planes were lost in the combat.

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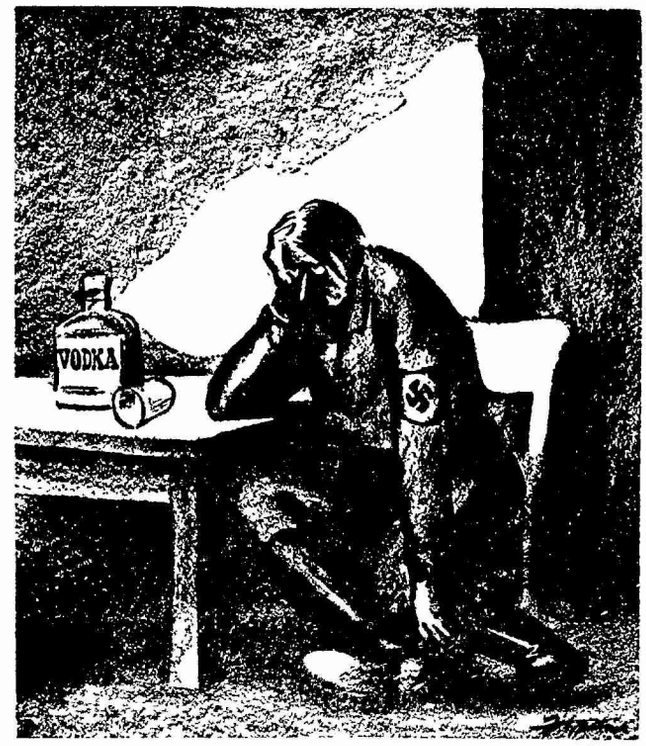
Another large item was added to the war wastage bill when the crack German liner Columbus, 32,000 tons, was scuttled off the coast of Virginia on Dec. 19 to avoid capture by British destroyers who had been waiting for her in the Gulf of Florida. The German vessel sailed from Vera Cruz, Mexico, on Dec. 14. On Wednesday of this week (Dec. 20) word that she had been scuttled and sunk reached the world.

British and French propaganda have represented the scuttling of the Graf Spee and the Columbus as evidence of Germany's lack of belief in her ability to win the war. If Germany had confidence in ultimate victory, it was pointed out, she would have preferred internment of these ships in neutral ports, since at the end of the war—provided she won the victory—she would regain possession of them.

This argument contains an obvious flaw. Germany has every reason to anticipate the entry of the United States into the war if the cause of the Allies should need that additional support. If the United States enters, it is likely that the Latin American countries will follow suit. All German shipping in American ports would then be seized and confiscated. This is a possibility that Berlin undoubtedly took into consideration when it decided to destroy its own ships in preference to internment.

A Vodka Headache



St. Louis Post-Dispatch

"It seemed like a good idea at the time."

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Meanwhile the war between Finland and Soviet Russia is proceeding with growing intensity and bitterness. Red Army troops have reoccupied Petsamo, on the Arctic, also the towns of Salmijaervi and Kolasjoki, located in the nickel-producing area of northern Finland. Toward the end of last week, Soviet troops had reached North Svanvik, which is close to the Norwegian frontier.

Before retreating to positions farther to the south, Finnish troops set fire to all villages, thus copying the "scorched earth" tactics employed by the Chinese in the Sino-Japanese war.

Viborg, Finland's second largest city, situated on the Gulf of Finland, was evacuated by civilians toward the end of last week. The city is not far from Soviet territory and is particularly exposed to Soviet attack. Refugees have meanwhile been returning to Helsinki, the capital.

The press in neutral European countries has been publishing reports from its correspondents on the Finnish war front in which the Red Army is said to be suffering enormous losses in the campaign to vanquish Finland. According to the Amsterdam *Niga Dagligt*

Allehanda on Dec. 17, at least 40,000 Soviet soldiers have been killed in battle, while 100,000 more are suffering from frost-bite.

At Geneva on Dec. 14, the Council of the League of Nations voted unanimously to expel the Soviet Union from the League. The representatives of four states, including China, abstained from the vote. The League Assembly unanimously endorsed the Council's resolution and urged all nations to extend aid to Finland.

Beginning to Pinch

Rockville Review Star

In a broadcast speech from Helsinki last week-end, the Finnish Foreign Minister proposed to Moscow an armistice, adding that Finland was ready to negotiate peace and would be prepared to offer additional concessions to Soviet Russia. He invited Moscow to reply to this offer in a radio broadcast, but his appeal has been ignored.

President Kallio, in the course of a broadcast to the Finnish Army on Dec. 17, appealed to the world for active help for Finland's cause. Finland's cause was the joint cause of the whole civilized world, he said, and the world could not leave Finland to fight alone.

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Japan's test of the latest Allied blockade measure worked out satisfactorily for Japan as the Japanese steamer Sanyo Maru, laden with German goods taken on board at Amsterdam, was permitted to pass the British contraband control and proceed on her voyage to the Far East via the Mediterranean. The Ministry of Economic Warfare in London issued a face-saving statement, declaring that the Japanese Government had guaranteed that the contracts and payment for the goods aboard the vessel had been completed before Nov. 27, when the British Order-in-Council providing for the seizure of German exports was published.

Official protests against the new blockade measure had been lodged with the Allied governments by Japan (among other neutral countries) and the Japanese press had hinted at retaliation—by seizure of British and French cargoes in the Far East—if Japanese ships carrying German exports were seized.

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Reports from Moscow this week hint that the Soviet Government is moving to reopen the negotiations with Turkey which broke down just previous to the conclusion of the Allied-Turkish pact of mutual assistance. The Moscow radio station asserted on Dec. 14 that this pact contained a secret clause providing for the organization of an anti-Soviet army in Turkey under the leadership of Marshal Petain. The army would comprise 400,000 Frenchmen, 80,000 Britons and 500,000 Turks, the newscaster declared.

From Berlin on Dec. 14 came a denial that Germany was preparing a new peace plan. Rumors to this effect were a product of Allied fear, the *Berliner Boersenzeitung* asserted. "What is the recent news?" the paper asked, answering: "Increased and continuous loss of British ships, low British exports, British imports which are insufficient, 1,400,000 unemployed in Britain, Italy's re-emphasized loyalty to the Axis, Russia's second protest against the Allied blockade, Japan's threat to take reprisals against British violations of international law. These are only a few points of that development from which London would like to deduce Germany's willingness to enter into peace palavers.

"We could do the British no greater favor than to free them now, with one stroke, from all their anxieties. But our humaneness has limits when it comes up against malice and the will to destroy. We hope that the gentlemen in London will not find time hanging too heavily on their hands while they are waiting for the German dove of peace to arrive."

Britain has anxieties and difficulties, without doubt. But the self-confident note evident in this German newspaper comment has a decidedly diminished significance when Germany's huge difficulties are borne in mind. Perhaps the anxieties of both camps will be put to rest by the decisive intervention of the peoples on whom the sufferings of war are being inflicted, for the utter futility of this conflict is more and more coming to be realized by those who have no material stake in its outcome.

Panay Christmas Fund for Orphans Nears $800 Mark

With the addition this week of contributions amounting $66, the Panay Christmas Fund neared the total of $800. There was hope that it would reach $1,000, which was the goal set by the promoters of the fund a few weeks ago when it was initiated by a small group of American Naval and Marine ex-servicemen residing in Shanghai.

Contributions received this week included two donations of $2.50 each from Miss Liang Yee and Miss Lee Pan Lay	$5.00
One contribution from Mr. Waung	1.00
One contribution, $10 from K. S. Swartzell	10.00
Ten contributions of $5 each from Sisters Zung, Mr. Egar, Hugh Wallace, Mac. Sparron, Jimmy Grant, H. C. Webber, C. Dald, Mr. Bird, A. L. Biggs, and Mr. and Mrs. John B. Penniston	50.00
Total this week	$66.00
Previously reported	719.00
Grand total	$785.00

The fund will be equally divided between the Maud Truxton Henderson Orphanage in Shanghai and other deserving orphanages for children of Chinese war veterans in the interior. A proposal was made, since the initiation of the present campaign, to make the Panay Memorial Association a permanent body, with the object of raising a Christmas fund for Chinese orphans an annual affair. It also was proposed that all contributors of $1 or more be entitled to membership in the organization.

Since the fund will be closed on Christmas Day, contributors are urged to send their checks or cash immediately to J. B. Powell, c/o The China Weekly Review, or C. D. Alcott, c/o The China Press, 160 Ave. Edward VII, Shanghai. Envelopes should be marked "Panay Christmas Fund."

U.S. Marines Sent to Hawaii As Defense Measure in Pacific

(*Chicago Tribune*)

In last week's Review was an account, brought to Shanghai by a traveller on the trans-Pacific Clipper, of the work which is proceeding on the new submarine and aviation base which the U. S. Navy is developing at Midway, some 1,500 miles west of Honolulu. There also appeared in our issue of Dec. 16 an account of the new U. S. Navy in prospect. The following reports from Washington give further information on the U. S. defense program in the Pacific area.

AS part of the administration's program to strengthen American defenses in the Pacific, the navy department announced that one of the four new marine corps battalions for base defense will be sent to Pearl Harbor, Hawaii.

The unit will be stationed at the key American Pacific defense position, where the army and navy jointly are building the world's most formidable fortress, as soon as organization of the new units is completed. Two of the remaining three units also are to have a foothold on the Pacific. They will be stationed at San Diego, Cal. The fourth will have its headquarters at Parris Island, S. C.

Each of the units has a battery of anti-aircraft guns and a battery of 5-inch guns. They number 750 officers and men and are highly mobile. They were designed for coast defense work and were made mobile so that they can move rapidly from one threatened area to another.

The sending of one of the units to Hawaii and the stationing of two others on the Pacific was seen as another development in the Pacific defense expansion program, which has been speeded since the outbreak of the European war.

The first move was the dispatch of six additional submarines and six navy bombers to the Asiatic fleet, now stationed in Philippine waters, ostensibly to patrol the coasts of the islands and to prevent violation of American neutrality. The vessels and planes were ordered to the islands after the proclamation of a limited national emergency by President Roosevelt on Sept. 8.

A short time later it was announced that the navy would create a Hawaiian fleet which would be stationed permanently at the islands. The composition of the fleet has not been announced, although it is to include all types of men-of-war and in impressive numbers.

It was believed that the two moves were made for the purpose of putting pressure on Japan to ease up on her conquests in China and to impress the Filipinos with the danger of Japanese aggression. This became more apparent when the army and navy put full speed on a 50 million dollar program to strengthen Hawaiian defenses and started work in September.

In some quarters it was believed the submarine and plane movements were calculated to influence the vote of the Philippine national assembly against assumption of full independence in 1946 as much as to afford a threat to Japan. If this were an administration aim, the Filipinos were not impressed because they voted 53 to 7 for the present independence program despite alarming world conditions.

The general belief in the capital was that the Roosevelt administration had ordered the moves as part of an unwritten alliance with Britain and France to look after affairs in the Pacific while the allies are busily engaged at home in conduct of the European war.

The movements did arouse concern in Japan. At Tokyo the American defense expansion in the Pacific was attacked as unfriendly and calculated as a move against Japan.

Japanese concern shifted to outright alarm when Joseph C. Grew, American ambassador to Japan, said frankly in a speech at Tokyo late last month that American opinion deeply resented the bombings, indignities, and manifold interference with American rights in China by the Japanese army.

The statement, which was one of the most outspoken ever made by a foreign diplomat in the Japanese capital, was regarded widely as indicating the United States was preparing definite action to oppose further Japanese expansion in China.

The navy department's announcement of the marine assignments, particularly that to Hawaii, was considered as an armed follow up of the ambassador's militant speech.

The navy also ordered two more world war destroyers placed on the Atlantic neutrality patrol, increasing to more than fourscore the warcraft guarding the east coast from European war repercussions.

THE NAVAL EXPANSION BILL

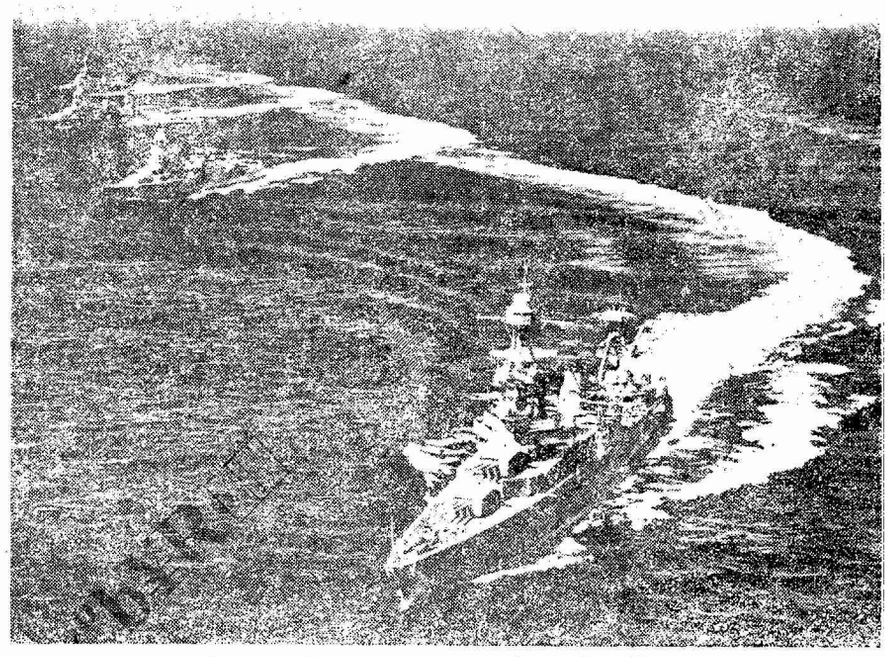
(*Newsweek*)

The Neutrality Act behind him, President Roosevelt lost no time in taking further steps to strengthen America's armed defenses. As he prepared to ask Congress for a $275,000,000 deficiency appropriation to implement the new neutrality, Rep. Carl Vinson of Georgia, chairman of the House Committee on Naval Affairs, outlined a $1,300,000,000 Naval Expansion Bill.

The huge "neutrality" deficiency appropriation will include, besides naval items, personnel increases for the Coast Guard, Marine Corps, Army, and the Federal Bureau of Investigation (150 recruits). More important, however, it will repay the Treasury for funds advanced under circumstances which Fred H. Brown, the Comptroller General, described as "best not brought to my attention."

Congress will also get the $1,300,000,000 Naval Bill the day it convenes. Already approved by Mr. Roosevelt, the measure calls for construction of 95 new fighting ships—3 airplane carriers, 8 cruisers, 52 destroyers, and 32 submarines. Maximum naval air strength will be raised to 6,000 planes.

Completion of the program in 1943 or 1944 would give the United States an under-age fleet strength of 15 battleships, 59 cruisers, 11 aircraft carriers, 173 destroyers, 87 submarines, 5,400 airplanes, and 39 lighter-than-air craft. Included will be eight battleships (two of 45,000 tons) now under construction.



Four of ten heavy cruisers execute a turn in perfect alignment at recent U. S. naval maneuvers in the Pacific.

The President touched on another defense plan he has long favored: expansion of the Pacific Coast steel industry. Ample iron ore is available there, Mr. Roosevelt pointed out, but coal supplies are inadequate. Why not use the increased hydroelectric output in California and the Pacific Northwest? Under the President's plan, Western ore, labor, and power would combine to lower steel prices, now high because of the necessity of bringing finished material from the East Coast.

Park Hotel Clerk Lost $40,000 in Badlands Gaming Resorts

A 22-year-old assistant in the accounting office of the Park Hotel named Chang Tze-fee admitted in First Special District Court on Dec. 12 that he had misappropriated more than $40,000 of the hotel's funds—and lost the money in Japanese-protected gambling resorts in the Badlands district of western Shanghai. Court judgment was reserved. Chang's employers became suspicious when a savings certificate, kept by the hotel and usually handled by Chang, mentioned a sum which did not coincide with the amount actually sent to the Joint Savings Bank, located on the ground floor of the hotel. Investigation disclosed that other documents had been altered in such manner that he had managed to embezzle more than $40,000.

When arrested, young Chang had a number of gambling house passes in his pocket.

Another Chinese young man named Yuan Hsieh-ying, employee of a Japanese metal shop on Canton Road, was also tried and sentenced in the First District Court on Dec. 12 for misappropriating the sum of $13,000. He also had lost the money in gambling houses in the western district. His employer had given him the money to pay bills at Chinese metal shops.

The Sino-Soviet Air and Land Routes

BY C. Y. W. MENG (孟長泳)

BOTH the history of Sino-Soviet relations and the history of the development of aviation in China recorded another achievement when after long preparation the Chungking-Moscow airline was formally inaugurated on December 5. The giant mail and passenger plane "Chungking" took off from the Chinese wartime capital for Hami en route to the Soviet capital, thus formally opening direct air service between China and the Soviet Union for the first time in Sino-Soviet history.

The distance, to be covered in four days, is divided into three legs, namely, Chungking-Hami, Hami-Alamutu and Alamutu-Moscow. The Chungking-Hami line is operated by the Ministry of Communications of the National Government, the Hami-Alamutu line by the newly organized Sino-Soviet Aviation Corporation, and the Alamutu-Moscow line by the Soviet government communication organ.

The Kansu-Sinkiang Highway

On land, in northern China, similar significant development has taken place. One of the most important of the seven passenger and freight service lines under the Northwest Highway Administration is the 1,172-kilometer Kansu-Sinkiang (Chinese Turkestan) highway which leads from Lanchow, capital of Kansu Province, to the Baboon Path on the Kansu-Sinkiang border, from where connections can be made across Sinkiang into Soviet Russia.

At the end of 1937 heavy traffic began in the provinces of Kansu and Sinkiang. In April, 1938 the construction of the new Kansu-Sinkiang highway was begun. General Ma Pu-ching, commander of the cavalry unit stationed in Hohsi, the part of Kansu to the west of the Yellow River, was appointed director of the Kansu-Sinkiang Highway Construction Bureau. His entire force, together with some 100,000 civilians, were mobilized to work on the project so that by the end of the same year a road having 100 bridges, with an aggregate length of 1,940 meters, was ready for traffic, although parts of the road and most of the bridges were not completed until the summer of 1939.

According to the account, the construction of the road was undertaken with great difficulties. Some of the work was done in bitter winter, when the road was frozen. Wood and fuel were collected to start fires on the road to melt the frozen parts before building could be continued. Hundreds of soldiers suffered from frostbite. In spite of the hard task, the danger spots of the Kulang Gorge were overcome and the 20 per cent slope of the Wushalin was reduced to only three per cent. Salty regions and sand dunes which could not be avoided were as a rule dug out and replaced with stone and fine earth. At a region near Kanchow, the men had to work in salty water for more than 20 days before the place was improved.

1,500-Meter Elevation

Average elevation of the entire highway is 1,500 meters. Lanchow, the starting point, is 1,500 meters above sea level and the Baboon Path 1,700 meters. The Wushalin ridge between Yungteng and Kulang, which rises to a height of 2,900 meters, is the highest point of the highway. The lowest is Ansichow, which is only 850 meters in altitude.

The land over which the Kansu-Sinkiang Highway runs is mostly loess soil, with salty marshall, desert sand and stone cliffs, found in different places. There are only a little more than 100 kilometers of rocky road throughout the entire length of the highway.

The Construction Bureau added another 443 kilometers of road, including the 107-kilometer Lanchow-Yungting section along the Chuanlang River, to avoid the arid inland sea, the 114-kilometer Kulang-Yungchang section which was rebuilt on a higher level, the 86-kilometer Shantan-Kanchow section following the slope to the north of the Great Wall instead of the old road to the south, the 136-kilometer Yumen-Ansichow section to avoid sand dunes and salty areas.

The Sian-Lanchow Highway

But from Lanchow eastward there is another road known as the Sian-Lanchow Highway, 740 kilometers in length. Sian is the capital of Shensi Province. By opening through traffic, travellers could now travel from Sian to Soviet Russia by the Kansu-Sinkiang Highway. A daily service of two buses from two terminals (Sian and Lanchow) is already maintained. The construction of the Sian-Lanchow Highway is generally acknowledged as a fine piece of engineering work.

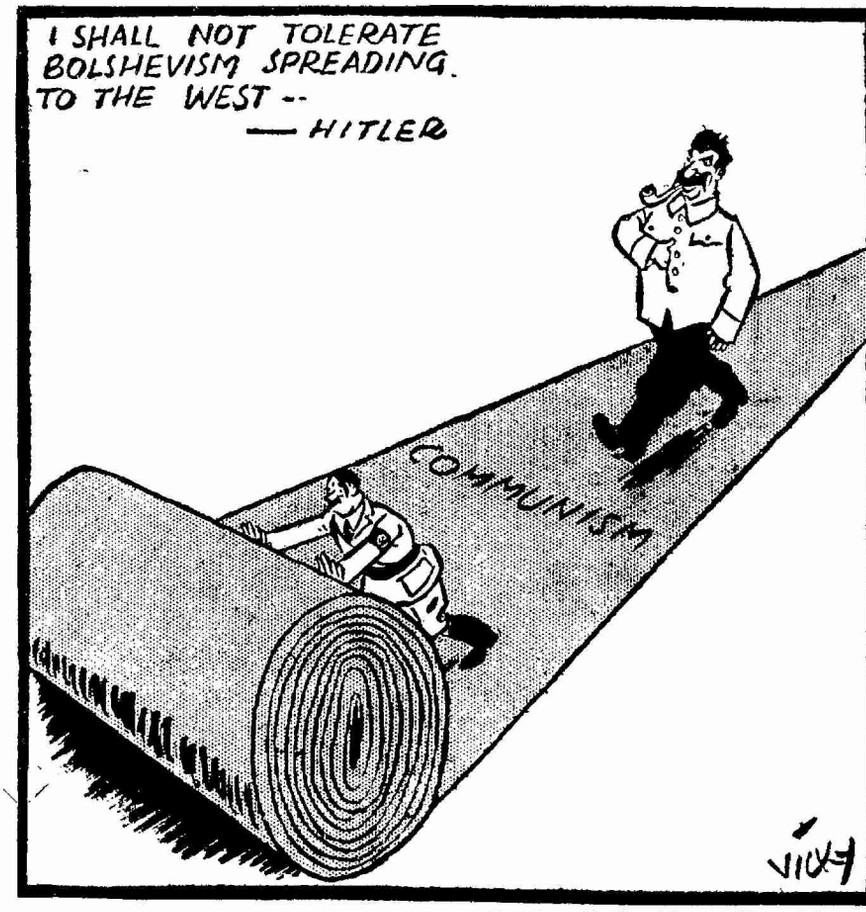
Under the same Northwest Highway Administration there are many other highways, such as, the 417-kilometer Fengshiang - Hanchung - Ningchiang Highway, passing through important cities like Paochi, and Paocheng to Fenghsiang in western Shensi and Ningchiang in southern Shensi, the 535-kilometer Hanchung-Peiho Highway leading from the southern Shensi city to the Shensi-Hupeh border, the 310-kilometer Kansu-Chinghai road from Lanchow to Sinning, capital city of Chinghai, as well as the 345-kilometer Lanchow-Tiensui Highway. Shuanshipu is now rapidly rising as the industrial town of western Shensi.

Well-laid with hammer stones and pebbles, all these highways, except a section of the Kansu-Chinghai line, have a width of at least 10 meters, enough for two cars to drive abreast easily. Parking spaces known as "islands" are amply provided at intervals of one to 10 kilometers as the topography allows.

At present, there is a repair shop every 100 kilometers with five repair gangs to each unit. Arrangements are being made to increase the number of repair gangs so that an average of at least three men to every two kilometers can be assured.

(Continued on page 156)

The Magic Red Carpet



London Daily News Chronicle

U.S. 'Embargoes' Export of Two Vital Metals to Japan, U.S.S.R.

NIPPON IMPORTERS MOVE TO FORESTALL EMBARGO

With the American-Japanese Treaty of Commerce and Navigation due to expire on January 26, Japanese importers have undertaken "vigorous" negotiations with exchange banks to secure United States' currency for the purchase of scrap iron, raw cotton and non-ferrous metals in America, the Tokyo Asahi reported on December 16. Importers were thus endeavoring to forestall a contemplated American embargo on exports to Japan, although in the opinion of the Asahi it was "hardly imaginable" that the U. S. Government would prohibit such exports.

A direct blow aimed against states which have engaged in the aerial bombing of civilian populations was struck at Washington on Dec. 15 when the State Department added aluminum and molybdenum, two vital metals in aircraft manufacture, to the list of articles included in the "moral embargo" instituted some time ago against certain exports to aggressor countries. All persons and firms engaged in manufacture of the two metals were written to by the State Department requesting them to cease exporting those metals to Japan and Russia.

A "moral embargo" on the export of war planes to Japan, instituted many months ago, was followed by a similar move against Soviet Russia on Dec. 2, following the Red Army's invasion of Finland.

Huge Quantities Exported

During the first 10 months of this year, more than 11,000,000 pounds of molybdenum, a metallic element of the chromium group, essential for steel alloys, were exported to the U.S.S.R., with 5,000,000 pounds dispatched in October, while about 7,900,000 pounds were exported to Japan, with 2,000,000 pounds sent in October.

Furthermore, 4,600,000 pounds of aluminum were exported to Russia and 662,000 pounds to Japan during the same 10-month period.

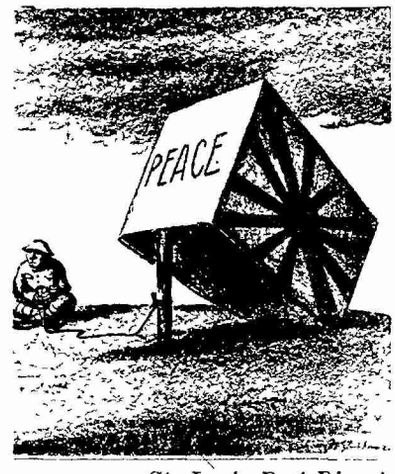
If the metal exporters' cooperate with the State Department as fully as already do the airplane manufacturers, the embargo will be felt most keenly by both Japan and Russia, for other sources of supply, located in the British and French empires, are closed to them now.

Embargo Movement Grows

A *United Press* dispatch from Washington on Dec. 14 said that movements to proclain an embargo against Japan after January 26, when the American-Japanese trade treaty expires, had gained considerable momentum. It was believed, however, that the probable effects of a termination of American-Japanese trade would receive the most careful consideration before any such step as an embargo is taken.

Two days later, Admiral Harry E. Yarnell, former Commander-in-Chief of the U. S. Asiatic Fleet, mailed several thousand letters to prominent Americans, requesting their support in halting American supplies of war materials to Japan. Writing on the letter-head of the American Committee for Non-Participation in Japanese Aggression, Admiral Yarnell said: "In the past bienneum in the Far East I have witnessed the great tragedy of war and some of its effects on peaceful people.

Poor Luck!



St. Louis Post-Dispatch

"It is estimated that 40,000,000 Chinese have been driven from their homes... Of these, five or ten millions have died of disease or privation. Cities far from the battle areas were bombed and hundreds of thousands of non-combatants were killed and wounded. The rules of war conduct approved at The Hague many years ago, which provided for humane treatment of prisoners and non-combatants, have been discarded.

"The war may be unavoidable, but inhumane and barbarous conduct against prisoners and non-combatants can be strictly controlled by any disciplined army. The manner in which this war has been waged has profoundly shocked the civilized world.

Asks Wholehearted Support

"Supply of means by our country to carry on such a war is an anomaly deplored by all, and the efforts of this organization to halt it should receive the wholehearted support of our people."

Conclusion of a new trade pact with Japan was urged by Mr. William R. Castle Jnr., former American ambassador to Japan, in a radio address from New York on Dec. 14, *Domei* reported. If there were no treaty, the speaker reportedly said, the United States Government would be compelled to ban exports to Japan and the inevitable result would be that the United States would make Japan join Germany, and possibly bring the Soviet Union and Japan closer together.

Soviet Seeks Fishing Treaty with Japanese

Readiness of the Soviet Union to begin negotiations for a long-term fishing treaty with Japan was understood to have been expressed by Foreign Commissar Molotov in a two-hour interview with Mr. Shigenori Togo, Japanese Ambasador to Moscow, on Dec. 15, according to a *Domei* dispatch from the Soviet capital. Preparations for the parleys, the agency said, would be made in future conversations. No new fisheries pact was expected, however, before the new year.

Moscow's willingness to sign a long-term fishing treaty with Japan, however, depended on payment of the Yen 5,900,000 final installment on the purchase price of the North Manchuria (former Chinese Eastern) Railway by Manchukuo or Japan, government circles in Tokyo indicated on Dec. 18, according to *Domei*.

The Soviet attitude toward Japan appeared to have taken a turn for the better and negotiations for a commercial treaty probably would be started in January, according to Mr. Otoshiro Kuroda, secretary of the Japanese Embassy in Hsinking, who arrived in Tokyo last Friday after a trip to Germany and the Soviet Union, *Domei* reported.

Mr. Kuroda was said to have told newsmen that treaty talks might commence after the arrival in Moscow next month of Mr. Shikao Matsushima, former director of the Commercial Bureau of the Tokyo Foreign Office and newly-appointed Japanese minister to Sweden.

American Mission Doctors Depart from Tatsienlu

R. Cunningham, British misisonary, connected with the China Inland Mission at Tatsienlu on the border between Szechwan and Tibet, who is correspondent for the *North-China Daily News*, reported on Nov. 21 that the American medical missionaries, the Rev. and Mrs. Harold E. James of the Seventh Day Adventist Mission at Tatsienlu, had departed for the United States. According to Mr. Cunningham's account (*North-China Daily News*, Dec. 17) Dr. James, whose home is in Los Angeles, arrived at Tatsienlu in 1933 and opened a mission hospital there the following year. He was highly successful in developing a practice among the Chinese and the "wild and woolly Tibetan nomads," according to the account. Dr. and Mrs. James will be succeeded by Mr. and Mrs. Floyd Johnson and their son Curtis. Mr. Cunningham said that the advent of a skilled foreign-trained physician and surgeon on the Tibetan tableland had done much to break down superstition, fear, ignorance and stupidity among the nomads, but had aroused considerable opposition among the Lama priests as the practice of scientific medicine had considerably reduced the income of the priests, who tried to cure disease by banishing evil spirits and demons.

Nippon Air Armada Raids Towns in Szechwan as Chinese Record Gains

CHIANG'S DIVORCED WIFE KILLED BY NIPPON BOMB

Miss Mao, divorced wife of Generalissimo Chiang Kai-shek, was killed during a Japanese air raid on Chikow, a small town a few miles from the formerly walled city of Fenghua, in Chekiang Province, on Dec. 12, according to reports received in Shanghai. Believing that the Japanese raiders would concentrate their attack on the new Chiang mansion, Miss Mao and her relatives fled to the old building a few yards away. Pilots of six Japanese planes, flying low and unchallenged by anti-aircraft fire, are believed to have observed the fleeing persons entering the old Chiang residence. They dropped several bombs which destroyed the building and Miss Mao with it. Miss Mao married General Chiang 30 years ago, when he was a student. In 1927, they were divorced and the Generalissimo married Miss Soong Mei-ling, in Shanghai. Miss Mao, however, continued to live in the Chiang mansion at Chikow, moving to the old house when the Generalissimo and his wife made their visits. She was the mother of Chiang Ching-kuo, Gen. Chiang's eldest son. Unlike the Generalissimo and his wife, who are Christians, Miss Mao was a devout Buddhist.

HARD-PRESSED on several fronts where counter-offensive tactics by Chinese troops are making it difficult for Japanese forces to hold their positions, Japan loosed a far-flung aerial offensive early this week in an effort to make good numerous military weaknesses which have been revealed by recent operations.

Eighty-one Japanese bombers roared over Szechwan Province on Dec. 19, leaving behind them a trail of death and destruction, while aerial activity in other provinces, which has been going on for weeks past, was intensified.

Many Towns Bombed

The big armada which ranged over Szechwan dropped bombs on the outskirts of Chungking, causing an unestimated number of casualties. Other Szechwan towns bombed were Suifu, Tseliutsing, Chengtu, Luchow, Shihchu and Liangshan. This series of raids was the most extensive the Japanese have staged in west China.

Commencing on Dec. 18 and running through the following day, Nippon scouting planes winged their way over the northwestern provinces of Shansi, Kansu and Ninghsia, according to reports received in Chungking, where military observers expressed the view that the Japanese were taking photographs preparatory to large-scale bombing raids.

Deny Kaifeng Retaken

Apart from air raids, there have been no spectacular developments on any of the China war fronts during the past week. According to Chinese claims, Chinese troops entered Kaifeng, capital of Honan Province, on the night of Dec. 16 after overcoming Japanese forces on the outskirts of the city. This was denied in a *Domei* report from Tokyo on the basis of Japanese field dispatches, which also repudiated a claim that Chinese troops had fought their way into Nanchang, capital of Kiangsi Province.

The alleged Chinese entry into Kaifeng was reported in detail in a *Kuo Min* dispatch from Loyang which said that the Chinese attack commenced last Saturday night under a dim moon. Chinese troops advanced in two columns on the western and southern outskirts of Kaifeng, engaged the Japanese in hand-to-hand fighting which lasted all night, and by dawn completely occupied the southern and western districts of the city, from where they were continuing their advance into the city proper, it was stated.

Chinese plainclothes units within the city, the dispatch further claimed, emerged from hiding as the attack advanced and forced open the west and south gates of the city to admit the regular Chinese troops. They also set fire to Japanese and puppet headquarters, military depots and warehouses.

The railway station at Yochow, in northern Hunan, was recaptured by Chinese troops on the night of Dec. 15, according to Chinese dispatches which said that more than 200 Japanese soldiers were killed in the action, the Chinese capturing large quantities of arms and ammunition.

Chinese troops in southern Anhwei were nearing Tatung after recapturing Niusheng, strategic point on the Yangtsze, the *Shun Pao* reported on Dec. 18.

On Other Fronts

Fierce fighting is said to be proceeding in central Hupeh along the Chingshan-Chinghsiang highway, with Chinese troops closing in on Chinghsiang. Chinese troops are also said to be making progress in driving back the Japanese along the Hankow-Ichang highway.

On Dec. 18, Chinese forces reoccupied Kunlum and Chiutang on the outer defense line of Nanning, in Kwangsi Province, according to Chinese reports. In the battles for the two towns, 1,000 Japanese soldiers were killed and considerable quantities of munitions and supplies captured, it was claimed. A major battle is said to be looming in Kwangsi, where Commander-in-Chief Pai Chung-hsi is reported to have ordered a general offensive for the recapture of Nanning.

Domei reported from Canton on Dec. 15 that nearly 6,000 dead Chinese soldiers had been found by Japanese forces during mopping-up operations in Kwangsi and Kwangtung since the fall of Nanning on Nov. 24.

New Chinese Strategy

Chinese reports from several fronts during the past week have told of the isolation of Japanese forces in various sectors due to the cutting of lines of communication as a result of sudden Chinese thrusts. Gen. Hsueh Yoh, chairman of the Hunan Provincial Government and concurrently commander-in-chief of Chinese government forces in the 9th War Zone (Hunan, Hupeh, Kiangsi), said that this was a "new strategy" and that recent Chinese victories were its first fruits.

The strategy, he said, consisted in destroying the Japanese communication lines, isolating the Japanese forces in segments, and then falling upon these isolated troops separately. Civilians in the 9th War Zone, he added, were cooperating closely with the Army in the work of destroying communications behind the Japanese lines.

According to a *Domei* report from Hanoi, French Indo-China, huge quantities of Chinese war supplies, including many motor trucks and bridge building materials, are jamming the wharves at Haiphong, awaiting transportation into Kwangsi. The Japanese drive into Kwangsi, the report said, had caused this accumulation, since it was now difficult to arrange transportation along an unoccupied route. More than 2,000 trucks, assembled and ready for service, are standing idle in Haiphong, unable to move, the report claimed.

Lattimore Lectures at Northwestern University

Owen Lattimore, former resident of Peiping, who is now director of the Walter Hines Page School of International Relations of John Hopkins University, delivered a series of six lectures dealing with the Inner-Asian Frontiers of China, at Northwestern University on Nov. 7, 8, 9, 10, 13 and 14. The lectures were illustrated and were given under the auspices of the Norman Wait Harris Foundation. Mr. Lattimore was born in Washington, D. C. and went to school in Switzerland and England. He has travelled extensively in China, Manchuria, Mongolia and Chinese Turkestan and is regarded as an authority on these regions. Among his writings are "The Desert Road to Turkestan," "High Tartary," "Manchuria, Cradle of Conflict," "The Mongols of Manchuria," and numerous magazine articles. He has been editor of *Pacific Affairs*, organ of the Institute of Pacific Relations, since 1934. His lectures at Northwestern will shortly be published by the National Geographic Society.

Experiences on a Trip to China's Northwest

BY DR. D. Y. LIN

Editor's Note:—The following has been condensed from the text of an address delivered on Dec. 14 before the Y's Men's Club in Hongkong. Dr. Lin is director of the Yellow River Commission and a member of the National Relief Commission.

I WAS more than four months in the Northwest, spending most of my time in Shensi and Kansu, along the drainage basin of the Wei River, which is the main tributary of the Yellow River. The Northwest, as you all know, is generally understood to include Suiyuan, Ninghsia, Chinghai, Shensi, Kansu and Sinkiang, having a total area of over 1,428,000 square miles. One has to spend years to cover such a vast area, especially when communications there are so difficult. However, during the four months I was there, I saw a lot and collected much data for my work; and what I am going to say to you will be mainly what I saw, heard and experienced in Shensi along the Wei Valley.

To Study Drainage

The object of my trip to the Northwest this time was to make a preliminary study of the upstream drainage areas of the Yellow River basin; how they should be treated; and what forestry and agricultural measures or projects should be carried out in these areas, in order to draw up a tentative flood-control program for the Yellow River Commission.

I might mention that whenever we think of the flood problem, or rather the Yellow River flood problem, we think only of the dams, dykes, reservoirs and other engineering structures. We have relied in the past solely upon engineers to tackle this difficult problem: no doubt they have done splendid work, but year by year they find their work more difficult and the floodwaters which they seek to control more challenging. The dykes which they built are now more frequently overtopped and broken by high waters; and riverbeds and reservoirs are filling with increasing quantities of silt from the upstream lands.

Problem of Treating Land

It is now generally recognized that the problem of flood-control is no longer just an engineering problem: it is a problem of how to treat the land which sheds the water; how to conserve and utilize the resources of both land and water in the upstream drainage areas; and how to coordinate such water-and-land conservation efforts with those of the engineers, so that a flood-control program will include, not only engineering structures, but also works for retarding running water and preventing soil erosion on the flood-producing watersheds.

The object of my trip, therefore, was to collect such data as would be useful in drawing up a flood-control program which would include not only the improvement of river channels, but also agricultural and forestry works for taking care of land and water resources in the upstream areas.

We visited the alluvial forest plantations on the north bank of the Wei River and noted that the principal trees growing were poplar, walnut, willow, elm and catalpa.

The soil in the area is alkaline; in some places the alkalinity is so high that the land is devoid of all vegetation, and in others the soil is better and crops of kaoliang, beans and cotton are grown. The mechanical nature of the soil varies to a large extent: some places being pure sand almost the consistency of sea sand, and others containing patches of heavy clay; but mostly the soil is of a sandy nature.

The soil in the cotton fields in Shien-yang and other places contains an average amount of clay, with larger proportions of silt and fine sand. A chemical analysis showed that the soil is poor in nitrogen and, to a lesser extent, in phosphates. The sub-soil is of a similar nature to the top-soil, but is richer in silt and poor in fine sand. In both the top and sub-soils alkali salts are present.

It would be interesting to find out whether better techniques could be applied for the further development of some of these lands, both as regards agricultural and forestry production and, at the same time, flood-control operations.

Crop Yield Good

The Northwest is famous for the frequency of drought; but, providentially, during the last two years there has not been any serious drought and farmers have had unusual bumper harvests as in the rest of China. Foodstuffs are cheap and plentiful. I saw a village elder who cheerfully told me that a year ago his village killed only one hog in three days, but now they had to slaughter three hogs daily because of the increased demands for pork created as a result of city people moving to live in the village. The villagers were certainly happy and in high spirits because their produce was appreciated and they were getting a good price for it.

The cotton crop in Shensi this year was excellent and farmers were most happy. During my eight-day journey from Paochi to Kwong-yuen in the month of October, I saw tens of thousands of carloads of cotton being transported to Szechwan and other parts of China on that wonderful highway constructed a few years ago by the National Economic Council. Since more than 4,000,000 mow of the cultivated land in Shensi are devoted to cotton-growing, a good crop in that province means a lot to the country in this time of emergency.

These are some of my observations concerning the economic, agricultural and soil conditions in some of the places I have visited. I should now like to take you to some places of historical interest in Sian and along the Wei Valley.

Places of Historical Interest

As you all know, the Northwest, and especially Shensi, is where Chinese civilization began. I have travelled quite extensively in the last 20 years, and I believe Shensi has more historical places and records than any other province I have visited. Everywhere we went, we saw history recorded in all forms and customs.

There is that famous archway in Wukung, about 100 miles west of Sian: it is said that on the top of this archway Shun Noon, the first emperor who invented the plough and taught the people agriculture, stood daily and directed the work of agriculture.

The Pai-ling, or Hall of Ancient Tablets, in Sian, is a unique establishment. In it you find ancient and mediaeval records and writings carved on stones that have been kept there for centuries. The famous Nestorian Tablet, a record of imperial favor to the early Christian missionaries, is also found in this city.

Unique Temples, Pagodas

The temples and pagodas in that part of China are all unique, with long individual histories behind them. In some of the places where famous historical battles were fought we still find landmarks, and the local people take great pride in showing them to visitors. Famous mountain passes, such as Shi Meng Kwan, Wu Ting Kwan, Ch'eng Kuo and Ch'eng Mang Kwan, mentioned so frequently in history, and especially in the "Three Kingdoms," are all worth visiting. Pao-cheng, the birthplace of Pao-si, the famous beauty of the Shang dynasty; Yenghsien, the birthplace of Wu Tseh-tien, the beautiful queen of the Tang dynasty who ruled the country for 18 years; Lingtung and Hin-ping, the places where Yang Kwei-fei spent a good part of her youth — all these fascinating places should furnish ample material and inspiration to playwrights or writers of feminine charm and beauty.

Everywhere we went, we saw huge imposing emperors' tombs as well as smaller tombs of ministers of state of different dynasties. These tombs are generally found on high river terraces in the form of flat-topped pyramids, and they certainly reminded me of my visit to Egypt.

The Chu Keh-liang Tomb

Of all the tombs visited, I love and respect the Chu Keh-liang tomb most. It is small, humble and insignificantly located in a little ravine about seven *li* from Menhsien, near that famous hill called Ting Chun Shan. Although humble and small compared with those imperial ones, nevertheless when I stood in front of it to pay my most humble respects, I just felt a kind of whispering silence filling me with awe and respect for the man who, as a hero and military genius, has through the ages held the respect and imagination of the people. The temple of Chang Liang at Miao Tz Tai, erected in commemoration of one who, having helped Liu Pong to establish the great Han Dynasty, retired to Miao Tz Tai in order to devote more time to study and meditation, is also worth visiting.

Rice Rioters Get Suspended Prison Sentences; Strike Movement Grows

SENTENCES of three months' imprisonment, suspended for two years, were handed down in the First Special District Court on Dec. 18 in the cases of 25 Chinese of the poorer class charged with robbery and rioting in connection with widespread rice riots which took place toward the end of last week in the International Settlement.

With the price of first-grade rice quoted at $46.50 per picul, and *sien* rice at $38 per picul, rioting at rice shops reached a high pitch of violence last Friday when thousands of poor people, seeking to purchase small quantities of the staple, had their orders refused by retail rice dealers in various parts the of the city. Harrassed and enraged, the would-be purchasers stormed a number of shops and carted off rice by the bag. More than 50 of the rioters were arrested.

Rice Merchant Wounded

The high point of the riots was the wounding of Shen Zang-ven, wealthy 63-year-old rice merchant with offices at 145 Chekiang Road. While riding in his private ricsha along Foochow Road last Friday morning, a man opened fire on him, wounding him in the shoulder. He was taken to the Lester Chinese Hospital, where his condition was said to be not serious.

With the arrival of fresh rice supplies in the city, the situation was easier at the beginning of this week. First-grade rice dropped to $40 per picul, with *sien* rice quoted at $33. It was estimated that about 7,000 bags of rice reached Shanghai over the week-end.

In passing sentence on the 25 rioters brought before the First Special District Court, Judge Fu Lin told the defendants that their sentences would be suspended because of the hardship which would otherwise be caused to their families. "However much you may have been victims of circumstances," he admonished them, "you may not take the law into your own hands. If you appear again on similar charges, the court will not be so lenient."

Food Regulation Body

In an effort to regulate food supplies and commodity prices, more than 30 Shanghai commercial houses, and the Chinese Chamber of Commerce, are sponsoring the organization of a "Shanghai Citizens' Food Regulation Federation." Regulations are now being drafted and the organization, described as a self-governing institution, is expected to be formed in the nearest future. It is being backed by prominent Chinese business and civic leaders such as Yu Ya-ching, Y. M. Shu and Y. F. Kuei.

Meanwhile, the wave of strikes which descended on Shanghai two weeks ago, as the prices of rice and other foodstuffs soared, has been spreading. Eight hundred workers of the China Native Goods Company on Nanking Road struck work on Dec. 14 and refused to evacuate the premises. Strikes are also now in progress at the China Soap Works, a British concern in Yangtszepoo, the Ewo Cold Storage Company, the Ewo Egg Factory and the Ewo Brewery. In all cases the workers are demanding increased rice allowances and year-end bonuses.

It is estimated that more than 5,000 workers are now on strike in Shanghai.

Wang and the Strikes

Wang Ching-wei's organ, the *Central China Daily News*, declared on Dec. 15 that the present labor troubles were a manifestation of the effects of China's continued armed resistance to Japan. It urged the workers to start a movement "to halt this ruinous war" and called upon employers of labor to sever their connections with the Chungking Government and join Wang Ching-wei's peace movement.

S.M.C. Allows Big Fare Increase to Tramways

Another severe blow to the poorer population of Shanghai was delivered last week by the Shanghai Municipal Council, when that body sanctioned another substantial increase in the street-car fares charged in the International Settlement by the Shanghai Electric Construction Company, Ltd., a British firm which holds a Council franchise for all street-car operation in the Settlement.

Fares are being increased from 3.11 to 3.71 cents per average mile for first-class accomodation, and from 2.15 to 2.54 cents for third-class accomodation. The company's franchise allows maximum fares of 10 cents and five cents per mile for first and second-class accomodation, respectively. The latest increase, which is still well within those limits, is justified by the Council on the ground of depreciation of the exchange value of the Chinese dollar.

Formosa Envisaged as 'Klondike' of Orient

Predictions that Formosa might become the Klondike of the Orient gained credence last week, according to *Domei*, following the disclosure that another alluvial gold hill had been found by prospectors along the upper Daidokusui River in the eastern part of Formosa.

The new vein was found by a party of five prospectors headed by Mr. Mamoru Usami, engineer in the employ of the Formosan Government-General, which returned to Taihoku recently from an expedition into the interior. Several prospecting parties have been dispatched by the Government following the discovery in October of alluvial gold hills along the Takkiri River, east of Taihoku, by Mr. Mitsuo Ogasawara, also a Government engineer. He estimated that the areas he prospected contained as much gold as that found in the Klondike region along the Yukon River in Canada.

Viceroy Tours India Under Military Guard

Lord Linlithgow, Britain's Viceroy, started out on a tour of India under "extraordinary circumstances" last week, according to a *Transocean* dispatch from Kabul. Whereas formerly the Viceroy's departure from New Delhi was the occasion for a magnificent parade, this time it was kept secret, His Majesty's representative leaving in a closed car under strong military guard, the agency said, adding that unusual police precautions were being taken in every city which the Viceroy is to visit.

The revolt against British rule in Waziristan is still continuing, according to a report which appeared last week in the Rome newspaper, *Nazione Coloniale*. On the road from Dera Ismail Khan, natives stopped a British military staff car and made a prisoner of Major Duggan, a British Army officer, the report claimed, adding that British airplanes and troops had been sent out to rescue the officer.

Silver Talks Said Due In Tokyo This Week

Anglo-Japanese conversations for a solution of the silver specie and currency issues in Tientsin were due to get under way in Tokyo this week, according to a *Domei* report which said that Admiral Nomura, the Japanese Foreign Minister, would engage in discussions on these subjects with the British Ambassador, Sir Robert L. Craigie.

In a report from London by the Japanese agency on Dec. 15, it was stated that diplomatic circles in the British capital expected a "conciliatory arrangement" for the disposition of the silver in the British Concession at Tientsin to be made soon.

On Dec. 16, Mr. Hikozo Tanaka, senior Japanese consul at Tientsin, and Major G. A. Herbert, British Consul in Chefoo, arrived in Tokyo. Both officials took part in the abortive Anglo - Japanese round - table conference on the Tientsin question last summer. Their arrival in the Japanese capital was interpreted by *Domei* as an indication that important Anglo-Japanese discussions were about to start.

Chinese Recovers Junk After Two-Year Vigil

A two-year vigil on the banks of the Whangpoo rewarded Chu Ten-lo with the object of his search on Dec. 13, when he spotted a big Wusih junk which he told the River Police had been stolen from him during the 1937 bombardment of Shanghai.

The unwieldy 100-ton craft, whose home port is more than 100 miles from Shanghai, was lying on the Pootung side discharging cargo when the police boarded and detained it pending investigation.

Asked why he had waited in Shanghai so long for the junk to turn up when it might never have come to this port again, Chu shook his head solemnly. "All China comes to Shanghai sooner or later," he said.

Tuberculosis—Major Cause of Death in Shanghai

BY LEE S. HUIZENGA, M.D.

Hon. Secretary, Shanghai Anti-Tuberculosis Association

Editor's Note:—The Shanghai Anti-Tuberculosis Association celebrated its first anniversary on Oct. 2, 1939, when the annual meeting, presided over by Dr. Sao-ke Alfred Sze, was held. Dr. Sze's address, and the first annual reports of the Association covering the period up to Aug. 31, 1939, have been published in pamphlet form. Another pamphlet describes the birth of the Association. These publications, and the Quarterly Bulletin of the National Anti-Tuberculosis Association of China, can be obtained at the offices of the Association, 41 Tszepang Road, Shanghai.

TUBERCULOSIS has been for some time the major single cause of death in Shanghai. This information comes to us officially from the two Shanghai Municipal Health Departments in their weekly reports. It must be remembered that these reports are based only upon the number of cases actually reported by Shanghai physicians to the Public Health Department authorities and take no account of the many more cases not reported. With no compulsory reporting of cases in Shanghai, many deaths take place unknown to the public health authorities.

These public health reports, furthermore, do not take into consideration the great number of patients dying, who received inadequate previous medical care and who are buried without any information as to the cause of death. Nor does this report take into consideration the number of deaths due to tuberculosis in the corpses found on the streets and buried by the benevolent burial societies. As many as 262 of these bodies are even now collected and buried in a week, which at that rate would mean 13,624 a year, a large percentage of which no doubt have died from tuberculosis.

Practically all the foreigners dying from tuberculosis are reported, and this may account for the rather high rate among foreigners dying from tuberculosis in Shanghai, even though the standard of living of foreigners may be higher than that of the Chinese as a whole. Tuberculosis is an enemy to mankind, irrespective of race, color, social standing or culture, and the whole of the Shanghai population should consequently arm itself against this deadly enemy entering insidiously into our homes, taking away our breadwinners as well as our promising boys and girls in the prime of life.

History of the Disease

The history of tuberculosis in China is very illuminating in regard to its unbroken chain of references throughout the ages to the various forms of tuberculosis. As early as B.C. 2698 the *Su Wen* speaks of the disease and its dangerous symptoms of cough, shortness of breath and spitting of blood. In 1155 scrofula was already mentioned in the *Shang Hai Ching* and in 779 tubercular glands were spoken of by *Huai Nan Tzu*. The following is a brief outline of other references to tuberculosis in Chinese earlier history, as compiled by Drs. Wong and Huizenga:—

B.C. 651—The *Nan Ching* describes a "wasting disease" which is probably consumption.

B.C. 180—First authentic description of pulmonary tuberculosis by *Tsang Kung*.

A.D. 610—Chao's Pathology gives symptoms of a group of diseases which includes neurasthenia and tuberculosis.

A.D. 618-959—In the Tang dynasty tuberculosis was fairly well recognized under various names.

A.D. 960-1276—In the Sung dynasty tuberculosis was differentiated from neurasthenia.

A.D. 1161-1174—Theory that tuberculosis is caused by some kind of germs first advanced. This does not refer to microscopic germs but rather to worms visible to the naked eye.

A.D. 1200—Liu Yuan Su draws pictures showing six kinds of tubercular germs (pictures available in C.M.A. Museum).

A.D. 1367—The *Shih Yao Shen Shu*, first monograph on tuberculosis, published.

A.D. 1500—Rest, fresh air and nutritious food advocated as important aids in treatment.

A.D. 1557—Hsu Chun-fu pointed out that tubercular germs were infectious.

From 1557 to 1930 little special mention is made of tuberculosis in Chinese literature.

The Fight Begins

In the five decades prior to 1930, anti-tuberculosis work was undertaken in the wards and clinics of various private sanatoria, private hospitals and mission hospitals in various parts of the country.

The Shanghai Municipal Council opened its Tuberculosis Hospital in August, 1929.

In 1932 the Peiping Tuberculosis Club was formed. Its first meeting was held on October 6, with Mr. Sohtsu G. King as one of its members.

The first Tuberculosis Conference in China was held under the auspices of the Chinese Medical Association on October 23, 1932.

A Ningpo philanthropist donated that same winter the Yeh Garden in Kiangwan on which was built the Cheng Chung Sanatorium, named after the donor. Its 150-bed capacity soon proved inadequate to handle all the cases of tuberculosis that presented themselves for treatment. That same year preparations were made for the formation of the National Anti-Tuberculosis Association.

Association's First Meeting

On June 11, 1933, the first meeting of the National Anti-Tuberculosis Association, sponsored by the Chinese Medical Association and the Public Health Department of the Municipality of Greater Shanghai, was held. It decided on the publication of a Journal on Tuberculosis, which appeared for two years and was then interrupted by the war but appeared again recently. In 1934 it opened branches in Kiangsi and Hunan.

In 1936, plans were made for a Tuberculosis Prevention Hospital in Shanghai to be named after Mr. Yu Ya-ching in honor of his seventieth birthday. The outbreak of fighting in Shanghai prevented the realization of these plans.

On September 6, 1936, prompted by the prevalence of tuberculosis, the Bureau of Education of the Municipality of Greater Shanghai issued an order making X-ray examination of the chest compulsory for students of public and private schools of the Municipality.

Probably the most important step in the anti-tuberculosis program in China was the organization, on November 11, 1938, of the Shanghai Anti-Tuberculosis Association under the able leadership of the internationally known Ambassador Sao-Ke Alfred Sze. This organization started small but has had a phenomenal growth and has gained in its short existence full confidence, as well of the medical profession as of the Shanghai public.

Six Per Cent Infected

Before the war, 6% of Shanghai's 3,000,000 population was estimated to have had tuberculosis in some form. We believe it is conservative to state that now after the influx of many hundreds of thousands of refugees into Shanghai, most of whom on returning left their tubercular relatives to spread the disease in Shanghai in the most densely-populated section of the city, another 2% should be added, making 8% the probable rate of persons in Shanghai infected with some form of tuberculosis. If the population is estimated to be 3,000,000, this would mean that today 240,000 of the Shanghai population are probably sufferers from tuberculosis in some form or other and are thus potential sources of infection to others. It is probable that no less than 10,000 die annually in and about Shanghai from this most dreaded disease—Shanghai's major cause of death.

Tuberculosis kills more than the war. The war may kill more in a short given time of a few months, but tuberculosis kills day and night, summer and winter, male and female, child and adult.

Thief in the Night

Diphtheria, smallpox, typhoid and especially cholera have their seasons; tuberculosis worries little about seasons, but goes on with its nefarious attacks all the time. The diseases mentioned last but a few weeks in their infectiousness; tuberculosis goes on for months and years. Other infectious diseases are quickly recognized, tuberculosis comes on very insidiously "as a thief in the night," and hence is the more dangerous.

Not only does it kill more than any other disease, it wastes more socially than any other disease. If one figures two years for the average case of tuberculosis to run, which is not too low, then Shanghai loses each year

no less than 10,000 years of manpower due to tuberculosis.

The economic waste in money, due to tuberculosis, can hardly be estimated. If the breadwinner in the family is tubercular, not only he but his family suffers. Not only, then, do the supposed 10,000 cases of tuberculosis suffer, but the economic waste due to these 10,000 involves at least another 20,000 dependents or related persons. Insurance companies tell us that tuberculosis attacks especially wage-earners in urban areas. From the records of the Metropolitan Life Insurance Company of America, we learn that over a period of 25 years, from 1911 to 1935, tuberculosis was responsible for the death of 403,851 Metropolitan policy holders. The standardized annual death-rates during the period averaged 135.7 per 100,000 lives exposed at ages of from one to 74 years. Among these policy holders, the disease caused 12.6% of the deaths from all causes.

Decades Needed for Control

Now all this death, waste, suffering, misery and danger can be largely eliminated by proper public health control, but it will take decades to control it, and a chest kept well filled with money will be necessary. However, the amount spent in tubercular control will soon be met by the terrific amounts now wasted on the inroads of the disease in impoverishing homes and in filling orphan asylums.

In other countries in Europe and in America, tuberculosis mortality has had a striking decline in the last 3½ decades. At the beginning of the century, tuberculosis stood first in the cause of death also in England and the United States, just as it now does in Shanghai. Today, it ranks seventh in the United States. This improvement is due to various public health activities of the last 35 years.

The factors for the decline of tuberculosis in America are largely due to the activities of the National Tuberculosis Association, which organization spreads its influence to every corner of the country through its very effective annual Christmas Seals Campaign and its resulting health campaigns by means of visiting nursing services, medical surveys among school children, and its sanatorium and clinic movement. In 1935, in America, the number of beds available for tubercular patients equalled the number of deaths annually from tuberculosis.

Success in America

There is plenty of evidence that the tuberculosis hospitals and clinics in America have been successful in preventing the disease in millions of the population and in arresting the disease in thousands receiving isolation and treatment of such as were already victims of the disease, thus enabling them to live a productive life.

Among the most promising newer methods to combat tuberculosis, no doubt the "collapse therapy" should be mentioned. It consists of collapsing the infected lung by the injection of sterilized air in the space around the lung. Carefully used with fresh air, good food and rest treatment over a long period of time, this method has given a new lease on life to many a sufferer of tuberculosis. But the cases for collapse theory must be carefully chosen and other recognized treatment for tuberculosis should not be neglected.

Yet after all, the things to emphasize in Shanghai for the present are *segregation and careful treatment of the infective cases.* By segregation such cases are removed as possible sources of infection from society. That is after all one of the biggest public health aids in our anti-tuberculosis work at present.

Next to this in a public health campaign aiming at the eradication of tuberculosis, annual physical examinations in schools, in factories, in offices are essential, coupled with an attempt to instruct the public in how to avoid tuberculosis and to stress early treatment; once the diagnosis of tuberculosis is made, how to avoid dangers in certain occupations, dangers that may lead to tuberculosis such as are associated with the work of miners, grinders and polishers and similar occupations. The opening of free clinics is essential in this campaign where X-rays can be taken to diagnose early cases and such laboratory work can be done as will facilitate early diagnosis and proper treatment. Here also literature of various kinds can be issued to patients and their families.

Three Powerful Weapons

The control of tuberculosis enlists three powerful public health weapons, namely, medical skill in the clinic, exact study by technical devices as in the laboratory, and a far-flung organization to spread over the whole field to be served. The last named weapon is essential in combatting tuberculosis. Smallpox was conquered in the laboratory alone when cowpox was put on the market. But we have no such short-cut for tuberculosis. Typhoid fever by a masterly stroke of the engineer is almost wiped out in modern countries, but tuberculosis still needs a nation-wide machinery to work the entire field, and this field is a world-wide field. In America, in 1908, only 12,000 sanatorium beds were available for tubercular cases, whereas in 1929 the number was about 70,000, and in 1938 there were 95,000 beds for tuberculosis. This shows how the nation-wide network of public health machinery, so essential in tuberculosis work, has made it possible in America to displace tuberculosis from its place as first killer in the country to that of seventh. Without this machinery, it is quite impossible with our present knowledge of tuberculosis to even think of wiping it out. What discoveries may be made in the future is a matter upon which we cannot speculate now. We have no weapon for the conquest of tuberculosis as yet that can be handled by the family doctor. What we know of tuberculosis and its conquest needs a vast army of men and machinery to handle, and even this vast army of men and machinery must be given at least three or four decades of unremittent warfare to wipe out tuberculosis.

The Christmas Seal

Now one of the phases of this nation-wide machinery used successfully in the attack on tuberculosis is the little Christmas seal used in about 40 countries of the world and which has brought not only millions of dollars together to be used in the fight against tuberculosis, but is often the only public health instruction many people get. So extensively and effectively is the Christmas Seals Campaign used in some lands that practically every individual understands the meaning of the double-barred cross.

With only a few more days before Christmas, Shanghai citizens are asked to purchase all the anti-tuberculosis stamps possible and place them upon their letters. Stamps can be obtained from the Shanghai Anti-Tuberculosis Association, 41 Tszepang Road, in any quantity. During the last week of the year a special effort will be put forth to reach the homes of Shanghai people with a Christmas stamp, and all those who make use of the mails are asked to cooperate and thus fight a common enemy—tuberculosis, the killer of men in Shanghai.

Nippon Monopoly Forces Match Plants to Close

Two Chinese match factories—the Great China Match Factory at Chowpuchen and the Yungchang Match Factory at Luchiatu, both in Pootung—have been forced to suspend operations due to their inability to obtain raw materials, the *Chinese-American Daily News* reported this week. The "Joint Match Sales Office," monopolist Japanese organ, refused to allow adequate sales of materials to the two plants, the paper stated.

When the war broke out in Europe, Chinese match factories became dependent upon Japan for raw material supplies, the paper declared, but now, in an attempt to eliminate Chinese competition, the Japanese "Joint Office" has increased the price of these raw materials by 100 and in some cases 200 per cent, at the same time reducing the quantities sold to Chinese plants.

Nippon Bombs Destroy Another U. S. Mission

The American Hebron Mission at Kwanshan, Kwangtung, in Japanese-occupied territory, was bombed and destroyed by Japanese planes on Decmeber 4, according to a *United Press* report from Peiping on Dec. 15.

Japanese planes dropped four bombs on the mission, which was clearly marked with four large American flags, all of which were displayed.

There were no casualties, but the walls and windows of the mission were wrecked. A matshed used for child refugee work was set on fire.

Nazis to Confiscate Property of Thyssen

The property of the German industrialist, Dr. Fritz Thyssen, is to be confiscated for the benefit of the Prussian state, the Reich official gazette announced on Dec. 16. Moveable property and landed estate are included in the confiscation decree, which was decided upon, according to *Transocean*, because Dr. Thyssen, who is living abroad, expressed views hostile to the Prussian state in the course of an interview.

Wang's Puppet Government to Emerge in January?

WITH Nanking and Peiping joining forces in opposition to the formation of a new puppet regime by Wang Ching-wei, the triangular struggle for power among the three rival cliques is becoming intensified. Fresh attempts are reportedly being made by Wang to inaugurate his "central government" on Jan. 15. According to information emanating from circles close to the "Orthodox" Kuomintang, feverish preparations for the event are going on among the Wang followers, but details regarding the personnel and seat of the projected regime remain a secret.

The struggle promises to be an amusing one, as the forces of the three groups seem to be well-balanced, each being supported by its respective Japanese military faction. So far, Wang and his associates, despite their strenuous efforts to curry favor with Japanese politicians and to overcome the opposition of Nanking and Peiping, have been playing a losing game. Whether they can succeed in bringing the two rival set-ups into submission this time appears to be doubtful. While it may be said that Wang stands an even chance in his struggle against Nanking, it seems hopeless for him to crush the opposition of Peiping, which is strongly backed by the Japanese military in North China and the Kwantung Army, whose leaders are understood to have looked upon the Wang move with disfavor.

Tokyo Confidence Wanes

Meanwhile, the confidence Tokyo politicians have placed in Wang appears to be also waning. Gen. Nobuyuki Abe, Japanese premier, was quoted by *Domei* as having warned the Japanese public last week that the establishment of a new central government of China under Wang Ching-wei would not mark the end of the present Sino-Japanese conflict, but would only constitute "one point" in the composure of disturbed conditions in China. He intimated that the establishment of the new China regime might be further delayed.

The combined opposition of Nanking and Peiping to Wang's plan to form a new government was clearly indicated at the seventh meeting of the so-called United Council of the two regimes held at Peiping last week. The meeting, attended by Wang Keh-min, Wang I-tang and Chu Sheng of Peiping, and Liang Hung-chih, Chen Chun and Wen Tsung-yao of Nanking, was notable for the absence of Wang Ching-wei, who was previously reported to be joining in the discussions on the question of the organization of the new central regime. Aside from passing a number of resolutions on minor issues relating to exchange, commodities and flood prevention projects, the meeting deliberately ignored the question of a new government. Queried by newspapermen regarding the matter, Liang Hung-chih, head of the Nanking delegation, declared: "The actual facts are not so simple," which was generally interpreted in Peiping as indicating that the possibility of inauguration of the Wang government is still remote.

Meeting Next Month

Japanese reports indicated that the 8th meeting of the United Council would be held at Nanking at the end of January. It is expected that it will be attended by Wang Ching-wei, Wang Keh-min and Liang Hung-chih, who will discuss formally the organization of the central government. The Japanese reports, however, failed to make clear the attitudes of Nanking and Peiping towards Wang's government-forming plans, merely asserting that they have not been changed.

Despite the intense propaganda, the granting of a holiday, the decorated streets and organized public meetings, the second anniversary of the installation of the Peiping "Provisional Government," which occurred on Dec. 14, failed to evoke any enthusiasm on the part of the Chinese public in Peiping. To enliven the occasion, elaborate ceremonies were held at the Hwaijen Hall, presided over by Wang Keh-min and attended by various puppet and Japanese dignitaries, including Gen. Hayao Tada, commander-in-chief of Japanese forces in Central China, Lt.-Gen. Seichi Kita, director of the North China Liaison Office of the Asia Development Board, Liang Hung-chi, Wen Tsung-yao and Chen Chun of the Nanking regime.

During the ceremony there was much speech-making. After a lengthy declaration on peace and national unification by Wang Keh-min, congratulatory addresses were delivered by Gen. Tada and Liang Hung-chih. Meanwhile, the Peiping puppets released through the Japanese *Domei* service a long statement purporting to be a survey of the progress in North China during the past two years, since the installation of the "Provisional Government." The statement asserted that with rapid developments in all fields of public service, the "Provisional Government" had established a record "unprecedented in the annals of governmental affairs in the Far East during its two years of existence." Economically, industrially, financially and culturally the people in North China had prospered since Dec. 14, 1937, the Peiping puppets unblushingly claimed.

Eventual Union Seen

After enumerating the numerous "accomplishments," the statement made a brief reference to the question of a new central government, saying that Peiping, closely cooperating with Nanking, has kept its eyes on the eventual union of North and Central China under a projected new government of China to be headed by Wang Ching-wei.

Despite the strict precautions taken by the Japanese, the occasion was not without its excitements. Lifting a censorship ban, the Peiping police authorities announced that a two-hour running gun battle was fought between the police and 15 armed Chinese, allegedly members of the Blueshirts, when the latter attempted to make an attack on the puppet officials. Twelve of the 15 patriotic terrorists, headed by Liu Fu-shan, were said to have been arrested and were undergoing examination. The police announcement failed to make known whether there were any casualties among the puppets.

Nanking Capture Celebrated

The second anniversary of the fall

Gen. Chen Cheng Feted

Photos by Thomas Kwang

Foreign correspondents in Chungking recently gave a dinner party for Gen. Chen Cheng, who is the Chinese military spokesman. Lower picture shows F. Tillman Durdin, New York Times correspondent, delivering an address in which he told of his visit to the Hunan front. Gen. Chen (in uniform) is seen to the left of him, while at the right is Mr. Hollington K. Tong, Vice-Minister of Publicity.

of Nanking on Dec. 13 was observed by both the Japanese and Chinese authorities. In Nanking the Japanese military staged a celebration, while Japanese army and naval officers who participated in the capture of the former Chinese capital also held commemoration meetings in Tokyo. The Chinese press in Chungking carried long leading articles on the occasion. A particularly moving one was published by the *Central Daily News*, which recalled the historic events that had taken place in Nanking during the last three decades. The paper expressed confidence in the early return of the National Government to Nanking.

Aside from continuing their allegations of dissension in various provinces over the anti-Communist issue, Japanese sources claimed that considerable diplomatic activity was also going on in Chungking. Dr. Wang Chung-hui, foreign minister, was said to have arrived at Haiphong from Chungking to confer with the French Indo-China authorities regarding movement of China's military supplies over the Yunnan Railway, which, Japanese reports stated, has become the principal transportation line following the loss of Nanning.

Meanwhile, Gen. Chiang Kai-shek was alleged to be seeking an amelioration of Kuomintang-Communist relations through the good offices of the Soviet Ambassador, Alexander Panaouchkine. An interview was said to have taken place between Gen. Chiang and the Soviet envoy, but the result of the alleged talk was unknown. Coupled with this, Japanese reports further claimed that Gen. Chiang had instructed Gen. Ho Yao-tsu, special envoy to Moscow, to present a two-point proposal to the Soviet Foreign Commissar, Viacheslav Molotov. This was said to have included requests for Soviet assistance in readjusting Kuomintang-Communist affairs and for resumption of the supply of munitions and airplanes. According to Japanese observers, Chungking authorities were capitalizing on their stand in the League of Nations expulsion vote in an effort to improve relations with Russia.

Prestige Said Impaired

Referring to China's abstention from voting at the League session, a *Domei* dispatch from Hongkong stated that it had not only seriously impaired the prestige of Chungking but also caused diplomatic complications. Dr. Hu Shih, ambassador to the United States, and Dr. W. W. Yen, special emissary at Washington, were said to have cabled the Chungking government that its stand on the League measure expelling Soviet Russia caused disappointment in America.

While practically no information is available from Chinese sources on the present state of Kuomintang-Communist relationships, Japanese reports continue to represent them as growing worse, with the spread of the anti-communist movement in the provinces. A group of Kwangsi generals was said to have issued a vigorous anti-Communist circular, denouncing the Chinese Communist Party for alleged plots to gain power and attacking the Soviet invasion of Finland. Signers of the circular were said to include Gens. Hsia Wei, Chiu Chang-wei, Chen Hsi, Lei Pei-hung, Yuan Pei-Ying and Lu Hsiang-yung. These officials, according to the Japanese, are the leaders of the anti-Communist faction in Kwangsi who reportedly have joined the large group of southern and northern generals led by Gens. Hsueh Yueh, Lung Yun and Lu Chung-lin (Gen. Lu being chairman of Hopei province). It is interesting to observe that the Japanese did not include Gens. Li Tsung-jen and Pai Chung-hsi as being among the anti-Communist leaders.

Anti-Communist Circular

The anti-Communist agitation in North China is also said to be growing. Seven generals of the former Northwestern Army led by Gen. Lu Chung-lin were said to have issued a third circular telegram urging Gen. Chiang Kai-shek to take action against the Communist Party and voicing support for the statement of the Kwangsi generals.

Sandwiched between the Communists and anti-Communist factions, Gen. Chiang was said to be in a "bad fix," perplexed as to what to do to patch up the Kuomintang-Communist difficulties. The Generalissimo was reported to have summoned a special meeting of the National Defence Council to discuss the matter, but what decisions were reached, if any, was not known.

The situation in Kwangtung is likewise represented by Japanese sources as being complicated. With the entry of Gen. Chen Cheng, vice-minister of War, into the contest, the struggle for power in that province has developed into a three-cornered affair. Gen. Chang Fa-kwei, commander-in-chief of the South China War Zone, according to Japanese reports, is backing Gen. Miao Pei-nan as candidate for the post of governor of Kwangtung, but he is being opposed by Gen. Yu Han-mou, vice-commander-in-chief in South China. Injecting a new element into the contest, Gen. Chen Cheng was said to have recommended Gen. Lo Cho-ying, one of his trusted lieutenants, for the provincial chairmanship.

Living Costs in Yunnan

The cost of living in Yunnan is soaring to unprecedented heights. Despite the efforts of provincial authorities to curb war profiteering, the price of rice in Kunming has gone up to $56 per picul. Before the hostilities, it was sold only at $9. A pair of shoes costs $50, while a tube of tooth paste is retailed at $2.

The financial situation at Chungking also furnished a subject for a number of Japanese reports. To obtain new sources of revenue, it was alleged that the National Government had decided to impose an excess profit tax early next year. The new tax is expected to bring in a yearly revenue of several million dollars, according to Japanese estimate.

Seeking to reconstruct the national air force, another Japanese report asserted that Gen. Chiang Kai-shek was contemplating the issue of $600,000,000 worth of bonds to purchase 500 modern planes. Gen. Chiang was said to have been purchasing fighting planes and long-range bombers from Russia, because, the Japanese explained, "Chungking could expect little aid from Britain, France and America in view of the European war." More than 200 Soviet planes were reported to have been delivered at Lanchow, capital of Kansu, during September. Russian air units at Lanchow were also said to have been augmented in recent months.

Burmese Goodwill Mission in Chungking

Photos by Thomas Kwang

A Burmese goodwill mission arrived in Chungking by plane from Rangoon on Dec. 12. Picture shows Miss Mya Dein, deputy leader of the mission, addressing a mass meeting arranged in their honor. Some 3,000 persons attended. The mission will visit Kunming, capital of Yunnan Province, on Dec. 27 as guests of the Yunnan Provincial Government.

Soong Postpones Trip

T. V. Soong, who was reported by the Japanese to be proceeding to the United States to negotiate a new loan for the National Government, is now stated to have postponed his departure on instructions from Gen. Chaing Kai-shek. Mr. Soong is said to be going to Chungking again in the near future in order to confer with Gen. Chiang and other government leaders on the financial situation.

Returning from an extensive visit to Europe, Sun Fo, president of the Legislative Yuan, arrived at Chungking last Sunday. During his stay abroad, Mr. Sun spent considerable time in Moscow, where he conferred with the Kremlin leaders reportedly on substantial Soviet aid to China against Japanese aggression. Shortly after his arrival home, Mr. Sun called on Gen. Chiang Kai-shek, to whom he reported on the international situation.

Sun Finds Sympathy

Interviewed by the press, Mr. Sun said that during his visit to Europe, he conferred with various European statemen. Soviet Russia, Great Britain and France, he said, are very sympathetic towards China's cause against aggression. Despite the European war, he believed, they will continue to give active support to China and will not depart from their traditional Far Eastern policy.

Referring to the European war, Mr. Sun was quoted as having said: "Britain and France have a slightly better chance of winning the war than Germany." The situation in Europe is very complicated, he added. As political changes often occur in Europe unexpectedly and rapidly, he explained, it is impossible to predict the outcome of the European conflict. For the time being, in the opinion of Mr. Sun, the military situation is more favorable for the Allies than for Germany.

In view of the absence of Gen. Ho Yao-tsu, who recently went to Moscow to call on the Soviet government leaders, Gen. Hsiung Pin, who signed the Tangku truce agreement in 1933, has been appointed acting director of the Administrative Office of the Military Affairs Commission. Gen. Ho is likely to make a lengthy stay in Russia.

Burmese Goodwill Mission

Following the recent visit of the Indian Nationalist leader, Jawaharlal Nehru, to Chungking, the Burmese people have also sent a goodwill mission to China which arrived at Chungking last week. The mission is composed of nine representatives of various public bodies in Burma headed by U.Ba. Lwin and is accompanied by Tseng Ko-yen, secretary of the Chinese Chamber of Commerce in Rangoon.

Addressing a mass meeting of Chungking citizens held in honor of the mission, Mr. Lwin said that whatever culture and civilization Burma has, "we have inherited them from China." Japan has been seriously threatening Rangoon and other Burmese cities with armed force, said U. Ba Choe, another member of the mission. Pointing out that the Burmese are well aware of Japan's designs to conquer the whole of Asia, Mr. Choe declared that the Japanese only "wasted money in fruitless attempts to conduct anti-Chinese propaganda in Burma." Miss Daw Mya Sein, who is president of the China-Burmese Buddhist Society, said: "Buddhism hates nothing worse than the killing of women and children, which the Japanese have done throughout China."

Honored by Chiangs

A reception in honor of the Burmese mission was given last Sunday by Gen. and Madame Chiang Kai-shek. The function was also attended by high government officials, including the Yuan presidents and various ministers. The goodwill mission presented to Gen. Chiang a silk banner as a token of Burma's admiration for China's heroic resistance against Japanese invasion. Receptions were also given by the Executive Yuan, the Chungking Municipal Government and the Chungking Garrison Headquarters, jointly.

Madame Chiang Kai-shek recently paid a ten-day visit to Hunan and Kwangsi, where she inspected the various military hospitals. In addition to 40,000 cotton padded coats, a quantity of cash and useful articles, Madame Chiang personally conveyed her sympathy and inquired into the conditions of the wounded soldiers on behalf of the Generalissimo. Madame Chiang commented that the administration of the hospitals in Hunan had improved considerably since she was there last year. The most remarkable improvement, she said, was in the attitude of those serving in the hospitals. The atmosphere was one of kindliness and attentiveness, which was reciprocated by appreciation and observance of rules on the part of the wounded. In each hospital, she said she found youthful workers who had been sent by various organizations to assist as volunteers. Most of them were of high school and college age and were filled with courage and enthusiasm in their work, she remarked. Madame Chiang urged the hospital workers to do everything possible for the wounded.

Another Terror Victim

Following close upon the murder of Miss Mao Li-ying, 28-year-old school teacher and relief worker, terrorists claimed another victim in the person of Mr. Zung Shien-tsung, secretary of the Chinese Editor's Union, who was kidnapped on Nanking Road last Saturday. According to an eye-witness, Mr. Zung was accosted by a man who pressed a pistol into his back and forced to enter a waiting motor-car which immediately drove in the direction of The Bund. No shots were fired and no alarm raised. Mr. Zung is a native of Ningpo and well-known in journalistic circles in Shanghai.

The family of Marshal Wu Pei-fu, who died recently at Peiping, announced that they had refused to accept funds offered them for funeral expenses by the Japanese-controlled provisional regime of Peiping. An offer of funds from Chungking, was likewise rejected.

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91-161

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91-162

French Finance New Szechwan-YunnanRail

FRENCH TROOPS REPORTED LEAVING HANKOW

One hundred French colonial infantrymen were due to leave Hankow on Dec. 13 by the coastal steamer Yunnan, according to a Transocean report from the Wuhan city. Their departure would reduce the French garrison in Hankow to only 50 men, the report said.

Negotiations have been concluded and a contract signed for a French loan of 480,000,000 francs to be used for the construction of the long-contemplated Szechwan-Yunnan Railway which is to connect Kunming, capital of Yunnan Province, with Suifu on the Yangtsze, 230 kilometers above Chungking, according to a *United Press* report from the Chinese capital on Monday of this week.

Quoting authoritative sources, the agency said that the contract had been made by the Ministry of Communications and the "Groupe Unit," representing a number of French banks.

The length of the projected railway will be 720 kilometers. It will pass through the most rugged districts of Yunnan, Kweichow and Szechwan. Surveying work occupied a full year and was completed in October, the report said.

New Railway Opened

The recently completed railway connecting Kweilin, capital of Kwangsi Province, with Liuchow, a strategic city in southern Kwangsi, was to be opened for passenger and freight traffic on Dec. 14, according to a report in the *Central Daily News*, Chinese Government organ in Chungking. The new line is expected to facilitate the transportation of Chinese troops and supplies into southern Kwangsi, where currently Chinese troops are battling for the recapture of Nanning.

Hitherto, there has been rail transportation from Hengyang, Hunan, as far south as Kweilin, while transportation between Kweilin and Liuchow, still farther south, has been carried on by means of motor trucks on the highway, which is inadequate for large-scale movements of troops and supplies. Originally it was intended to extend the railway from Liuchow to Nanning, in order to establish through-train service to Hanoi in French Indo-China, but the Japanese invasion of Kwangsi and the fall of Nanning have frustrated the plan.

According to Chinese reports from Kunming, quoted in a *Domei* report from Hongkong on Dec. 17, the Chungking Government will soon start construction of a new motor highway connecting Kunming with French Indo-China. The cost will be $5,500,000. Decision to build the road is said to have been prompted by the Japanese drive into Kwangsi, which makes it desirable to have a connection with Indo-China farther to the west. The new highway will reportedly run from Laokai to Kunming by way of Sinkai, Mengtze, Kikai, Kaiyuan, Milo, Lunan, Iliang and Chengkung.

Commandeering of Goods Authorized in Japan

Article 10 of the National Mobilization Act, which authorizes the commandeering of goods, was invoked on Dec. 16 by an Imperial Ordinance issued in Tokyo, *Domei* reported. The Ordinance makes provision for compensation in respect of goods which are commandeered.

On the same day, the Ministry of Agriculture and Forestry notified provincial governors that they were delegated to make compulsory purchases of rice. This action was taken, *Domei* said, to assure a better distribution of rice among consumers.

REVOLUTION IN JAPAN PREDICTED FOR SPRING

Japanese workers and farmers are facing starvation because of lack of sufficient rice to feed them, and they are preparing for a great revolution "next April." This statement was made in Chungking by Kazuo Aoyama, expatriate secretary-general of the Japanese Communist Party, when speaking at a dinner in honor of the Burmese goodwill mission which has been visiting the Chinese capital. The Japanese revolution, according to Mr. Aoyama, will be the "great landmark of East Asia's emancipation."

Inheritance taxes in Japan are to be increased approximately 30 per cent under a revised tax system, the same agency reported on Dec. 15.

A highly significant report was released last week by the Central Silk Reelers' Association in Tokyo, showing that Japanese silk exports to the United States had fallen considerably over a two-month period. November exports to America were 5,012 bales less than in October, and 7,872 less than in September, the report disclosed.

U.S. Protests British Seizure of Shipping

On Dec. 16, the United States Government protested to Great Britain against the seizure and detention of American vessels proceeding to the Mediterranean. The vessels were being detained at Gibraltar, it was stated. According to a *Transocean* report from Washington, ten American freighters have been intercepted by British warships and forced to proceed to British ports. Most of the ships, it was stated, left the United States prior to the passing of the new Neutrality Act, which prohibits American vessels from entering the war zones in Europe.

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Partial Reopening of Yangtsze Announced

In order to demonstrate her good will toward third Powers, Japan is preparing to "partially reopen the Yangtsze to general navigation between Shanghai and Nanking, under certain conditions, within two months," Admiral Kichisaburo Nomura, Japanese Foreign Minister, informed Mr. Joseph C. Grew, American Ambassador to Tokyo, on Dec. 18, according to a *Domei* dispatch from the Japanese capital.

The gradual lifting of navigation restrictions on other rivers in China is also contemplated by Japan, Admiral Nomura stated.

Regarding the Yangtsze, the Foreign Minister reportedly said that military necessity for the closure of the lower section of the river had become less urgent, hence the decision to reopen that section of China's great waterway under certain conditions. Japan, he added, would have to suffer difficulties consequent upon reopening China's waterways, and he therefore expressed the hope that Japan's "real intentions" would be understood by the government and people of America.

Severe Restrictions

Despite the decision to reopen the lower Yangtsze, severe restrictions will be imposed on the movements of shipping and freights, according to the local Japanese spokesman. While specific restrictions have not yet been decided on, he said they would include prohibition of trading with ports which the Japanese have not yet occupied and a ban on trading in any commodities which would be of aid to the Chiang Kai-shek regime. The Japanese Army and Navy, he added, regard the reopening of the lower river as a military and not a political matter. It should not, therefore, be construed as an act of "appeasement."

While the Japanese announcement was "unanimously welcomed" in London, according to *Reuter*, and described as a "step in the right direction" by Sir Robert Calder Marshall, chairman of the local British Chamber of Commerce, the *Shun Pao*, leading Chinese daily, described the announcement as "propaganda" which only revealed Japan's plan to dominate China, including the Yangtsze. The Japanese do not desire to admit foreign shipping to the Yangtsze and are planning to control shipping thereon. When this control has been established, Japan will open the river to foreign shipping "as a formality," the paper asserted.

S'hai-Nanking Railway Bondholders Out of Luck

Replying to "strong representations" made by the British Ambassador, Sir Robert L. Craigie, on instructions from London, official circles in Tokyo declared on Dec. 16, according to *Domei*, that the financial condition of the Shanghai-Nanking Railway Company made it impossible to pay interest due to bondholders.

While it was "admitted" that British funds were invested in the line, the officials asserted that the rolling stock of the Company had been removed by Chinese troops prior to their retreat from Shanghai, while bridges and rails were destroyed. The Japanese Army had to make repairs before the railway could be used, and trains were at present being used for military purposes. Such being the case, the line was not making a profit which would justify payment of interest to bondholders.

Norway Sends Cod Liver Oil for Refugee Children

Last year the Norwegian Consulate-General in Shanghai received from the producers in Norway 2,500 kilos of medical cod liver oil for distribution, free of charge, amongst needy Chinese war refugee children. Owing to the vast number of applicants, this quantity of the well-known Norwegian vitamin-containing medicine was soon exhausted, and the consular authorities who reported this fact to the Norwegian Government had little hope of receiving a new supply, owing to the difficult situation in Europe.

To their great satisfaction, however, a telegram has lately been received from the Director of Fisheries in Norway, stating that a donation of 2,500 kilos of cold liver oil had again been shipped to Shanghai. No definite instructions have yet been received, but it is believed that the oil is to be distributed amongst needy Chinese war refugee children, as was done last time. The cargo is expected to arrive in Shanghai by the middle of next month.

Hospitals and other institutions nursing children of the above mentioned kind, and wishing to share in the distribution of the oil, may communicate with the Norwegian Consulate-General, stating the name of the institution and of its directors, and the number and average age of the children under its care.

Shanghai's Newest Cinema House Opens for Business

Shanghai's newest moving picture theater, the Roxy, was opened last week, the initial feature picture being "Babes in Arms," an M. G. M. production, featuring Mickey Rooney and Judy Garland. The Roxy Theater is owned by Far Eastern Theaters, Federal Inc., U.S.A. H. D. Rodger is president and director; Richard T. H. Pan, vice-president and managing director; D. Y. Lee, vice-president and general manager and M. Weiner, secretary-treasurer and director.

S.M.C. Gazette to be Issued Once a Month

In view of the increasingly heavy expenditure on paper and printing costs, the Shanghai Municipal Council has decided to discontinue issuing the *Municipal Gazette* weekly. As from the end of this year, the *Gazette* will appear once a month, it was announced last week.

Hongkong Bans Sale Of Chinese Bonds

Chinese financiers in Hongkong had a severe shook as the Hongkong Government ordered the sale of Chinese National Construction Savings Certificates suspended as from Dec. 19. The certificates had been devised by the Chungking authorities as a means to raise war funds. Sales of the certificates in Hongkong began on Nov. 1, when permission was given a number of Chinese banks in Hongkong to deal in the issue. The Overseas Chinese Banking Corporation was the principal agent for the sale of the certificates.

Mr. H. R. Butters, acting financial secretary of the Hongkong Government, said that the sale of the certificates had been suspended "owing to various legal difficulties which had not been noticed at the beginning," *Domei* reported, adding, however, that it was generally understood that the ban was imposed by the British authorities because of the excessively political character of the certificate issue.

One Million Tons of Shipping Said Sunk

Since the outbreak of the war, just about 1,000,000 tons of allied and neutral shipping has been sunk, semi-official German statistics disclosed last week, according to *Transocean*. The statistics indicated that at least 32 British and neutral ships, totalling 119,324 tons, were sunk during the week ended December 14, 1939. Twenty-four of these ships, totalling 97,771 tons, were British, while eight, with a total of 21,553 tons, were neutral. The figures were compiled from British reports and statements appearing in neutral newspapers, it was explained, and do not include a number of other ships known to have been sunk, the names of which are not known, also ships which the British authorities have announced as having collided or run aground.

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Japan to Build World's Largest Wind Tunnel

The world's largest wind tunnel for the testing of aircraft will be built in a plant to be established at the Central Aviation Institute at Mitaka-mura in the suburbs of Tokyo, according to plans announced in Tokyo last week. The wind tunnel, work on which is scheduled to be started next year, will have a blowing aperture 15 meters in diameter and will require 40,000 horse-power engines to operate. It will be possible, it was stated, to test life-size planes in the tunnel while their motors are running at 1,000 kilometers an hour.

The Institute's plant, which will include other wind tunnels, laboratories, an aircraft manufacturing factory, a training school and an airdrome, will be completed within five years at a cost of Yen 51,000,000. The plant will cover about 50 acres.

Death Claims Woman Victim of Terrorists

Shot by terrorists on Dec. 12, Miss Mao Li-ying, 28, head of the Shanghai Professional Women's Club and a staunch supporter of the Chungking Government, succumbed to her wounds on Dec. 15 in the Lester Chinese Hospital. The funeral took place on Monday of this week. At first it was thought that Miss Mao would recover, but complications set in after an operation on an abdominal wound, and these caused her death. The two men who murdered Miss Mao were believed to have fled after the shooting to 76 Jessfield Road, notorious headquarters of Wang Ching-wei's "bodyguards" in the "badlands" district.

Finland Pays War Debt To the United States

Maintaining the record for prompt payment of its last World War debt to the United States, Finland duly transferred the regular instalment to Washington on Dec. 15, despite the Soviet invasion. The amount was immediately placed in a special account for remission to Finland, subject to approval by Congress. Britain notified the United States of her inability to pay the debt installment, but expressed willingess to negotiate on the matter at some opportune time in the future.

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of the Review.

November 27

Gen. Chiang Kai-shek, in his capacity as President of the Executive Yuan, ordered all Cabinet Ministers who had resigned to withdraw their resignations and to continue to carry on as usual. Plans of governmental reorganization said shelved; Dr. H. H. Kung likely to remain as finance minister; three new ministries of Foreign Trade, Forestry and Irrigation and Social Welfare, to be created.

Huge fires raging in Nanning following severe bombardment of the city by Japanese aircraft and artillery. Chinese forces reported closing in on the Japanese at Nanning. Japanese units between Nanning and the Yu River said in danger of being encircled by the Chinese as Japanese communication line constantly harrassed by Chinese mobile columns.

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November 28

Intense fighting continued in the vicinity of Nanning despite the withdrawal of the main Chinese force. The Japanese said having difficulty in bringing up supplies because of the destruction of Yamchow-Nanning highway.

An eye-witness account of the 6th plenary session of Wang Ching-wei's "Kuomintang" held in Shanghai last August given to foreign correspondents in Chungking by Loh Chin-tao, member of the Control Yuan. Mr. Loh, who visited Shanghai in August, revealed that he was virtually kidnapped by Wang's followers and tricked into attending the bogus meeting, which he described as an all-Wang show.

*
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November 29

China's southwestern trade route not affected by the fall of Nanning, said M. E. Sheaham, American transport expert and advisor to the Chinese Government. A short-cut highway linking Chungking with Hanoi said nearing completion and more highways being built.

For the control of all aspects of transportation throughout "Free China," a semi-official concern known as the Chinese Transportation Company was created in Chungking.

Withdrawal of British and French troops from North China to begin on Dec. 4, according to Japanese report.

The American Ambassador, Nelson T. Johnson, arrived at Peiping from Chungking.

Seventy Japanese bombers raided Lanchow (yesterday), capital of Kansu. Business area in the vicinity of the east gate badly bombed, ten persons killed and 100 wounded. The China Inland Mission compound (British) damaged.

*
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November 30

Japanese troops based at Nanning now driving to the north and west of the city. Pingyang, 50 kilometers northeast of Nanning, believed their immediate objective. Fierce fighting now raging in the area between Nanning and Pingyang. Major battle in the present Sino-Japanese war expected to be fought in the hills of Kwangsi, as both the Chinese and Japanese were rushing up reinforcements and maneuvering for positions in preparation for the crucial fight.

Japanese planes staged three raids over Lanchow, capital of Kansu, resulting in considerable damage. Raiders engaged in combat by Chinese pursuit planes.

The sale of United States war materials to Japan was described yesterday as the "blackest page in American history" by Bishop Henry W. Hobson, in a message to the Southern Ohio Episcopal Churches dealing with the observance of Bible Sunday to be held December 10, stated a **United Press** report from Cincinati.

*
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December 1

The Japanese northeast advance from Nanning claimed checked, with Chinese forces holding up the Japanese along the Nanning-Pingyang highway. More than 1,000 Japanese troops attacked Liutang, 31 kilometers from Nanning. Fighting lasted whole day with neither side making any appreciable headway.

Nearly 200 bombs were dropped on Lanchow by 57 Japanese planes in two successive air raids yesterday morning. Thousands of houses set on fire and destroyed. Sian, capital of Shensi, also bombed yesterday.

Agreement on the policy of the projected puppet government said to have been reached between the Japanese and Wang Ching-wei, according to Japanese Embassy spokesman in Shanghai. The Japanese agreed that Wang must establish a "firm and independent" government while Wang agreed that the Japanese "must not withdraw their troops from China," the spokesman said.

*
**

December 2

Heavy fighting between Japanese and Chinese forces in southern Kwangsi continuing in the hills between Nanning and Pingyang. Fighting also reported along the highway to Wuming, north of Nanning. Japanese aircraft and artillery very active, bombarding Chinese positions. Kweilin, Kwangsi capital, severely bombed both yesterday and today.

Forty-eight Japanese planes bombed (yesterday) Lanchow, this being the third mass air raid in a single week. Chinese pursuit planes fought against the raiders, one of which was shot down.

Marshal Wu Pei-fu, retired military leader, declared that if Japan truly desires peace she should first withdraw her troops from China. He was said to disapprove the organization of a new "Central Government."

*
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December 3

Launching a counter-offensive at dawn yesterday against Japanese troops at Nanning, Chinese forces were driving towards the city from Liutang. Severe fighting raging northeast of Nanning.

Many Kwangsi cities bombed (yesterday) by Japanese naval planes. Among those heavily attacked were Kweilin and Liuchow.

Fighting broke out on the border between Kwangtung and Fukien, where Japanese forces at Swatow suddenly moved eastward towards Fukien on the night of November 30, according to Chinese field dispatch received at Chungking. Fighting at present going on in the

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Who's Who in China

Gen. Lu Chung-lin, Chairman of Hopei; born at Tinghsien, Hopei, 1883; entered army service at an early age; after many years of service, he became successively Garrison Commander of Peking, Military Governor of Chahar, Commander-in-of the the East Route of the Northwestern Army; joined the Nationalist

鹿鐘麟
Gen. Lu Chung-lin

Revolutionary Army and was appointed acting Chairman of Hopei; Commander-in-Chief of the Eastern Route Army of the 2nd Group Army under Gen. Feng Yu-hsiang; Commander-in-Chief of the Bandit-Suppression Forces in Honan and Shantung; one time Minister of War of the National Government; member of the Central Executive Committee of the Kuomintang; fought against the Japanese in Hopei after the outbreak of the current Sino-Japanese hostilities and was appointed Chairman of the Hopei Provincial Government in 1938; in addition to his administrative duties, he is also directing the guerrillas operating in Hopei behind Japanese lines; address: Hopei Provincial Government, Hopei.

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vicinity of Fengshuikwan in Fukien.

Japanese forces advancing northward from Canton along the Canton-Hankow Railway reported to have been repulsed with heavy losses, Chinese troops recaptured Lungtang, 50 kilometers north of Canton.

Dr. K. C. Wu, formerly Mayor of Hankow, reported slated for the post of Mayor of Chungking in succession to Gen. Ho Kuo-kwang, who has been transfered as Secretary-General of the Szechwan Provincial Government.

Japanese Hoodlums Assault British Police Sergeant

Three Japanese subjects, two of whom are Formosans, appeared in the local Japanese Consular Court on Dec. 14 to answer a charge of assaulting Police Sergeant M. King of the Shanghai Municipal Police the previous night. After a brief hearing, the case was postponed until the injured police sergeant will be able to appear in court, the alleged culprits being released on their own recognizances.

Sergeant King was engaged in rounding up Chinese prostitutes at the intersection of Nanking and Chekiang Roads in company with the regular patrol. Several women had been arrested when five Japanese civilians put in an appearance and, according to eye-witnesses, objected to the arrests. An argument ended in blows, the five Japanese reportedly attacking the British policeman at the same time.

Other policemen intervened, and three of the five assailants were placed under arrest and lodged in cells at the Louza Police Station. The following morning they were handed over to the Japanese Consular Police. Sergeant King, badly manhandled, was taken to the Country Hospital, where he was expected to remain for some time.

Two Chinese constables of the S.M.P., who were arrested by Japanese gendarmes on Nov. 10 when they tried to search a plain-clothes official of the Ta Tao police when he failed to produce evidence of his official identity, were released on Monday of this week. The puppet "District Court" of the Shanghai Special Municipality tried the two on Dec. 13 on a charge of "attempted murder" and dismissed the case after an all-day hearing.

United States Navy Gets New Commander-in-Chief

Admiral James O. Richardson, 61 years of age, has been appointed Commander-in-Chief of the United States Fleet, in succession to Admiral Claude C. Bloch, who will become Commandant of the 14th Naval District and Navy Yard at Pearl Harbor. Admiral Orin G. Murfin, formerly stationed in the Far East, who is now in command at Pearl Harbor, will retire on May 1. Admiral Richardson is a veteran of the Cuban, Philippine and World Wars and received medals for his services in the three campaigns.

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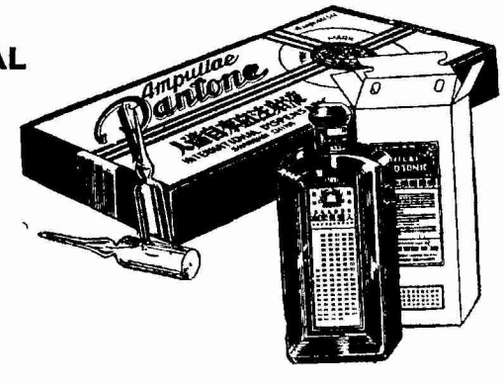

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Men and Events

Renzo Sawada, recently appointed Japanese Ambassador to France, arrived in Paris on Dec. 17 to assume his duties.

*

Rear-Admiral W. A. Glassford, Commander of the Yangtsze Patrol, returned to Shanghai on Dec. 12 from a routine tour along the Yangtsze to Wuhu, Anhwei province.

*

Linsay Hall, archaeologist of the Metropolitan Museum, New York, passed through Shanghai this week on his return to America from an expedition to Persia. He was accompanied by Mrs. Hall.

*

Mrs. W. Tornroth, proprietor of The Sea Captain's Shop at Shanghai, is planning to depart for New York on a buying trip in January. She is scheduled to sail on the President Coolidge on Jan. 16.

*

George Howard, formerly U. S. Trade Commissioner at Shanghai, has been appointed Commercial Attache in Stockholm. Since leaving China, Mr. Howard has had service in the Philippines, Australia and recently in Greece.

*

James Russel Young, correspondent for *International News Service*, has returned to Shanghai from a trip to Hongkong, Chungking and French Indo-China. He rejoined Mrs. Young, who arrived from Tokyo last week.

*

Sir Robert Ho-tung, well-known Chinese financier and industrialist resident in Hongkong, has loaned the British Government the sum of £10,000, without interest, for a period of two years. Sir John Simon, Chancellor of the Exchequer, wrote Sir Robert a personal letter, thanking him for his generosity.

*

All American citizens residing in Moscow were required on Dec. 12 to line up at the U. S. Embassy and submit their fingerprints and photographs. The action was taken as a result of new Washington regulations requiring the validation of passports. Another reason was the disclosure that persons had been travelling in Europe on faked or stolen American passports.

*

The Japanese Government has dispatched an Ambassador-at-Large to the United States, Tatsuo Kawai, who sailed from Yokohama on Dec. 15. Mr. Kawai was a former director of the Information Bureau of the Foreign Office. He will travel in the United States, Central and South American countries, following which he will proceed to Russia.

*

Alexander Piskor, special Far Eastern correspondent for a number of Polish newspapers in the United States and elsewhere, went to Nanking this week. Among the papers which Mr. Piskor represents are *Dziennik Zwiazkowy* of Chicago, *Nowy Swiat*, New York, *Polska Zbrojna*, Paris and also the Polish Telegraph Agency of Paris.

A. T. Steele, correspondent in the Far East for *Chicago Daily News*, flew to Peiping by the Japanese airline on Sunday, Dec. 17. Mr. Steele spent about a month in Shanghai, following a trip to Chungking and other points in the interior. He will join Mrs. Steele in Peiping and remain there over the holidays.

*

William Chambers Yates, British subject, employed by the Revenue Department of the Municipal Council of the International Settlement, was charged with the embezzlement of $37.50 (about U.S.$3.) from his employers. He appeared before the British Registrar, C. H. Haines, on Dec. 16 and was released on bail on his own recognizance of $500 and two additional bonds of $500 each.

*

Major V. E. Duclos, recently appointed Canadian Trade Commissioner for Central and North China, was expected to arrive in Shanghai this week where he will make his headquarters. He will be accompanied by Mrs. Duclos and their children. M. T. Stewart, who has been Acting Trade Commissioner here for some time, will depart shortly for Japan where he will be stationed in future.

*

Yang Yo-san, who claimed to have once been a bodyguard employed by T. V. Soong, former National Minister of Finance at Nanking, was sentenced to four months' imprisonment in the First Special District Court on Dec. 14. Yang was charged with the theft of a number of fire extinguishers from a garage in the Jessfield Park British military camp.

Yohei Hara, Japanese, who was arrested at Honolulu last week for operating his fishing boat within the forbidden zone at Pearl Harbor, told the police that he could read neither English nor Japanese, and since no one had told him about President Roosevelt's proclamation banning private boats from the Naval Base, his action was unintentional. Hara said the U. S. naval officers had treated him nicely and had given him lunch before releasing him on U. S. $20 bond.

*

Eric Moller, director of the local British shipping firm, Moller, Ltd., donated the sum of Y.5,000 to the Japanese Army and Navy hospital funds, according to a report by *Domei* on Sunday, Dec. 17. The report stated that Mr. Moller had made the contribution "in appreciation of the valor of Japanese Army and Navy officers and men." Mr. Moller recently sold an extensive wharfage property in the Pootung area to the Japanese.

*

Among those decorated for gallantry in action in connection with the naval battle between the H. M. S. Ajax, Achilles and Exeter against the German battleship Admiral Graf von Spee off Montevideo, was Commodore Henry H. Harwood, who was Commander and Executive Officer of H. M. S. Cumberland in 1928 and 1929 when that vessel was stationed at Shanghai and other points on the China Coast. Commodore Harwood was awarded the order of Knight Commander of the Order of Bath and was promoted to the rank of Rear-Admiral.

Dr. and Mrs. J. W. Henry of Lingnan University, Canton, are visiting in Shanghai. Dr. Henry is Provost of the University.

*

Harrison Arnold, representative of Ford Motor Company in West China, arrived in Shanghai this week to spend Christmas with his parents, Mr. and Mrs. Julean Arnold.

*

A. C. Cornish, assistant general manager of Standard Vacuum Oil Company, has returned to Shanghai from vacation spent in the United States. He was accompanied by Mrs. Cornish and their daughter.

*

The British Consular authorities at Tientsin denied a report, circulated in Japan, that Major G. A. Herbert, British Consul at Chefoo had been ordered to Tokyo to consult with the British Ambassador, Sir Robert Craigie. The report stated that Major Herbert was leaving Chefoo because of ill health and probably would proceed to the United States. His departure was not concerned in any manner with the settlement of the Tientsin incident, stated the report.

*

Larry Lehrbas, formerly correspondent for the *Associated Press*, who has been covering the war in Europe, has returned to the United States and probably will be stationed in Washington or New York for the winter. After the Polish collapse, Mr. Lehrbas went to Budapest, Bucharest, Istambul, Ankara, Athens and then back to Rome where he was stationed prior to the outbreak of hostilities. Edward Beattie, *United Press*, who also was in Poland, prior to the occupation of that country by Germany and Russia, is now watching developments on the Netherlands front, with his headquarters in Amsterdam. H. R. Knickerbocker, correspondent for Hearst's *International News Service*, who was in Shanghai at the outbreak of hostilities here, has returned to the United States from the European front to make a lecture tour.

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Succeeds Col. Fegan

Lieut.-Col. C. I. Murray, who has succeeded Col. J. C. Fegan as Commander of the Fourth U. S. Marines at Shanghai, arrived here on July 2 of this year. Colonel Murray joined

Lt.-Col. C. I. Murray

the Marine Corps from civil life on May 21, 1917 and had service overseas with the 6th Regiment, Second Division. He was wounded in an attack on the town of Bouresche, for which he was awarded the Order of the Purple Heart. He was cited in Army Orders, December, 1918 and was awarded the Distinguished Service Cross and Navy Cross. Upon return to U. S. he served in various capacities, including junior Presidential Aide to President Woodrow Wilson. He had service on the Pacific Coast and in 1921 commanded the Marine Detachment on the U. S. S. Oklahoma. Later he was assigned to the Garde d'Haiti and served for a time as Chief of Police of Port au Prince. After graduation from the Marine Corps Field Officers' School in 1932 he was assigned to Annapolis when Admiral Thomas C. Hart was Superintendent of the Naval Academy. In July, 1937 he was appointed Assistant Chief of Staff, Department of the Pacific, San Francisco. Later he had service at Guam and after a year there was transferred to Shanghai.

*

Norman Davis, former U. S. Ambassador-at-Large in Europe, was reappointed President of the American Red Cross by President Franklin D. Roosevelt on Dec. 14. The President also announced that the Red Cross was now expending the sum of U.S.$500,000 for relief in Europe, of which $25,000 had been sent to Finland and $16,000 additional had been expended for medicines in London which were to be sent to Finland. Norman Davis, following his assumption of office on Dec. 16, announced that the American Red Cross had placed the sum of U.S.$250,000 at the disposal of those concerned with relief measures in Finland. The sum of $100,000 will be used immediately for the purchase of ambulances, surgical instruments and medical supplies. The Red Cross has appealed to American doctors for voluntary service in Finland.

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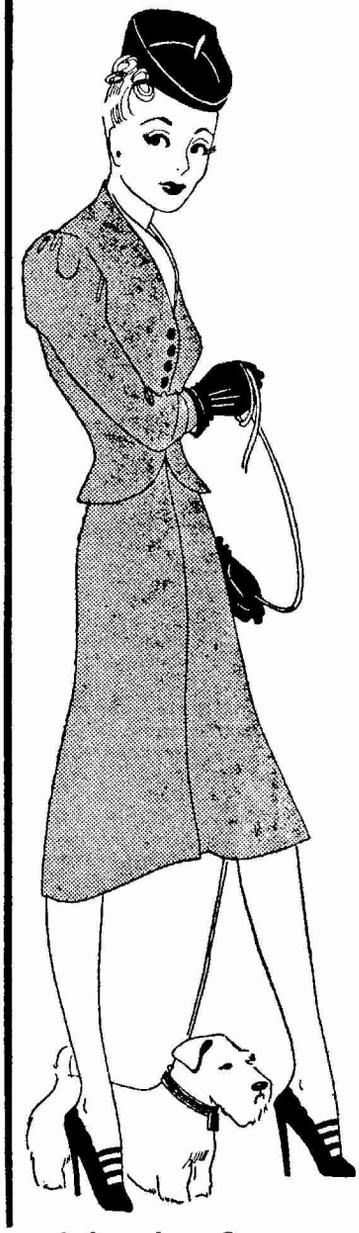

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Hsu Shao-ching, Manchukuo Minister at Rome, who is departing from Italy shortly, was given a farewell reception by the Italian Institute of the Mediterranean and the Far East. The function was attended by Eiji Amau, Japanese Ambassador in Rome. An address was delivered by Senator Genetile, president of the Institute.

*

Douglas Fairbanks, famous American movie actor for practically fifteen years and one of the most popular foreign actors before Chinese movie fans, died on December 12 at his home at Santa Monica, California. His death was due to a heart ailment. Fairbanks visited in Shanghai several years ago on a tour of China and Japan. He started in life as a Shakespearian actor, but on occasion tried his hand selling stocks, hardware and as a law student, all unsuccessfully. He was born in Denver, May 23, 1884, his father being a lawyer. He attended public schools in Denver and later enrolled at the Colorado School of Mines. Harvard refused to admit him because of insufficient credits.

*

An American businessman, who gave the name of F. L. Noble and stated he was travelling in the Far East, reported to the Police Department of the International Settlement last week that the sum of U.S.$250 had been taken from his pocketbook while he was visiting a house inhabited by girl entertainers, located at No. 7, Lane 25, Kwangsi Road. Mr. Noble claimed the money was removed from his pocket while his coat was hanging on a nail in a partition in the establishment. He stated that he was accompanied by another American, a resident of Shanghai, whose name was not disclosed in the police report. The Municipal Police searched the establishment and arrested one Wong Chang-kwei, described as a procurer; Hsu Tien-min, joint-keeper, and Wong Yang-sze, manageress, who finally admitted they had abstracted the sum of U.S.$105 which they claimed had been divided among the proprietors. The girl entertainer only received $3.00 local currency (about 0.25-cts. U. S.) according to the statement.

*

Dr. William Reginald Morse, well-known medical missionary and anthropologist, formerly stationed in China, died in Boston, Massachusetts on Nov. 11 at the age of 65. He was buried at Lawrencetown, Nova Scotia on Nov. 11. Dr. Morse was born at Lawrenceville and attended Arcadia University, following which he did post-graduate work at Harvard and Johns Hopkins. He joined the American Baptist Foreign Mission Society and came to China in 1909. He helped found West China University College of Medicine and Dentistry and was a member of the faculty and Dean of the institution for several years. He led eight anthropological expeditions to the Szechwan-Tibetan borderland and was the author of numerous articles dealing with that region and also with medical subjects. Dr. Morse is survived by his wife, a daughter, Mrs. Allan B. Grunden of Jersey City, N. J., and a brother, Dr. L. Rupert Morse of Lawrencetown.

In the United States Court for China

IN RE. LAST WILL AND TESTAMENT OF MADGE DICKSON MATEER Deceased.	Cause No. 4435 Special Proceedings No. 2314 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of MADGE DICKSON MATEER, deceased, to present the same with vouchers to the undersigned on or before July 1st, 1940, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

CHARLES M. MYERS
Executor of Last Will and Testament of Madge Dickson Mateer, Deceased, c/o Associated Mission Treasurers, Shanghai, China.

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New Books of Interest in the Far East

A Japanese Problem

POPULATION PRESSURE AND ECONOMIC LIFE IN JAPAN—By Ryoichi Ishii. Published by P. S. King & Son, London. 254 pages. Price 12/6d.

This is an able study of a problem that certainly concerns more than the Japanese people. Yet while it will mean most to the student of populations, others interested in the effects of population pressure on world relations will find Dr. Ishii's work of value.

Traditionally, Japan has been crowded. But from the middle of the 17th Century on, the feudal socio-economic organization, with a great gulf between nobles and commoners, discouraged universally large families. In order to insure that no extra mouths would appear, abortion and infanticide became common.

However, the Meiji Restoration greatly changed this by laws against these practices, by rapid industrialization that needed labor, and by the acquisition of the Empire. A large population came to be regarded as a sign of strength, with solutions of a "population problem" presumably to be found in more industrialization and emigration.

Shortly before the World War, questions about the increasing population began to arise, but war-time prosperity tended to dispel such fears momentarily. It took a whole series of incidents after the War to show the growing seriousness of the pressure of population. Briefly, these were as follows:

(a) "The restoration to China of Kiaochow, Shantung, and relinquishment of many other claims at the Washington Conference (1921-2) were blows to Japanese expansionist efforts." (p. 40)

(b) The suspension of warship building by the Washington Conference brought on unemployment among skilled workers.

(c) The great earthquake caused heavy economic losses.

(d) And finally, the American Immigration Bill of 1924 abruptly slammed shut a favorite solution that Japan had believed in: emigration. While, before the Bill was passed, Japan could only send 246 people to the United States per year, the action was a rude shock to a national solution and to racial prestige.

Along with these specific jolts Japan became aware that she had the fourth highest density of population in the world, yet was below the three leaders—Belgium, Holland, and the United Kingdom—in colonial resources, manufacturing plant, and accessibility to the great trade routes of the Atlantic.

In addition, her population is still growing despite a slightly declining fertility rate. Most estimates for the future give Japan around 90,000,000 people in 1960—20,000,000 more than today. And 57% of this population will be in the middle-aged group, 15-59, which simply means that the employables in society will remain a pressing majority. Or, to put it in Dr. Ishii's own words:

"...between now and 1950 at least 400,000 people will seek positions in Japan's economic system. Furthermore, between 1950-1960 the annual increment in the working population will swell to 450,000. Unless the present economic system is radically changed, this demand for a place in the economic structure is reasonable and normal, and it must be complied with if the nation's social stability and progress is to be insured. The ability to absorb these great numbers is the real test of Japan's social system and economic resources. Herein lies the crucial problem of the Japanese population." (p. 137)

What are the ways out? Internal development of acreage has about reached its maximum, while domestic rice costs more to produce than rice imported from Korea, Formosa, and foreign countries. Thus, a great demand in Japan does not raise prices for the native farmer but rather brings in cheaper rice from abroad. Clearly the standard of living for the farmers and their families—48% of the total population in 1920—cannot rise very much.

Colonization and immigration are limited because of the traditional seclusion policy of the Tokugawas, because Japan was so late in colony-snatching while her people were excluded from desirable areas, and finally because Japan's later acquisitions have been densely occupied "by peoples of relatively inferior standards of living."

Increasing industrialization, while evident, is hampered by closing markets, lack of resources, and greater unemployment because of

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December, 1939 Vol. IX. No. 5.

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more machines and better industrial organization. In short, this third solution has its limits.

Finally, Dr. Ishii mentions the hard social battle that birth control must fight in order to continue to spread. So far it is not an important factor. Then, especially for present maternal and child welfare, an improvement in the distribution of the national income is essential, with definite laws to improve the position of the farmer and of the worker.

Somehow the points in Dr. Ishi's thorough study remind us that the same things have been said many times before—for example, in John Orchard's article, "The Pressure of Population in Japan," in *The Geographic Review* for July, 1928. Yet Professor Orchard wrote as an economist ten years before the appearance of Dr. Ishii's population analysis. If the average man needs any more convincing on the seriousness of Japan's position he has only to recall the economic stranglehold that Japan is trying to fasten on to China in the swath of the sword.

Yet desperate as Japan's needs are, the estimated Yen 10,000,000,000 spent for the China Affair *to date* seems a bit high in comparison with her growing influence in China's trade before the War.

T. H.

Valuable Reference Work

NORTHEASTERN ASIA: A SELECTED BIBLIOGRAPHY—By Robert Joseph Kerner. Being contributions to the Bibliography of the relations of China, Russia and Japan, with special reference to Korea, Manchuria, Mongolia and Eastern Siberia, in Oriental and European languages. In two volumes (675 pp. and 621 pp.) published by the University of California Press, Berkeley, California, 1939. Price U.S.$26.00.

This work includes about 15,000 titles, almost 10,000 of which are in Chinese, Japanese, Korean, and Russian languages. Chinese, Japanese, and Korean titles are transliterated and translated. Russian titles are in Russian and translated. Full Table of Contents and Subject Index in each volume.

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Trained Reserves in P.I. Now Number 120,000

The newly-trained reserve force in the Philippines now numbers 120,000 men, according to *United Press* report from Manila on Dec. 16 stating that this year's class numbering 20,000 men will be graduated this week. The men receive their military training in 130 training centers scattered throughout the Islands. The present system of training reserves was started in 1937. Each man receives 5½ months of training, following which he becomes a member of the reserve army. By 1946 when the Philippine Commonwealth is scheduled to become independent, there will be a trained military reserve of 400,000 men. Present plans are expected to continue to 1966, by which time there will be 1,200,000 trained reserves.

Sino-Soviet Routes

(Continued from page 136)

The route which the present Sian-Lanchow and Kansu-Sinkiang Highways traverse is an old and historical route. It was by this route that the famous silk from Cathay found its way to Rome and other western cities both in the early and medieval periods. In the early part of the defunct Manchu regime, Marquis Tso Tsung-tang, the famous Chinese campaigner, proposed to construct a Shensi-Sinkiang road in order to facilitate military transportation as well as commercial transportation in peace time. The willow trees which were planted before on both sides of the road are still flourishing, and still bear the name of "Tso's willows."

Today, hundreds of modern trucks are running daily on these highways. The ancient route which was once almost the only overland route between China and the Occidental World, and whose importance and past glory were somewhat lost after opening of the sea route, is now in use again, and forms an important international line of communication and trade. This highway together with the "Chungking-Moscow Air Line" has brought China and the U.S.S.R. closer than ever before.

Chungking
December 6, 1939

British Children to be Sent to the U.S.A.

The English-Speaking Union, leading organization concerned with the promotion of friendly relations between Great Britain and the United States, announced on Dec. 16 that negotiations are now being conducted in Washington for the transportation of large numbers of British children to America for the duration of the war. The children will be quartered in American homes. Dr. J. R. Angell is president of the Union.

His Case Was Desperate.

Young Man's Distressed State.

"I was reduced to such a state through anaemia and neurasthenia that my case was desperate," states Mr. W. J. Ingram, of 15, Leyburne Street, Bradford, England, "Last October I began to suffer from dizziness, and when outdoors my head was in such a whirl that I could not walk straight. I had no appetite, my face grew pale, and I was completely devoid of energy. I became so bad that I had to give up my work. The doctor said that I was suffering from anaemia and neurasthenia, and might collapse in the street.

"Then I decided to try Dr. Williams' Pink Pills, and soon began to improve. My appetite picked up and I felt less tired. The dizziness disappeared, my face took on a healthy tinge, and I gained strength rapidly. Now I am like a new man."

Those who have tried Dr. Williams' Pink Pills often say that the benefit following their use is almost too wonderful to be believed. Actually the reason is quite simple. It is this: these pills create new rich blood, which strengthens the nerves, banishes anaemia, and improves the appetite and digestion. Try them now. Obtainable at chemists everywhere.